BUSINESS MANAGEMENT

Training and Service for Executive Work

The Development of Sales Policies
Principles of Personal Salesmanship

LA SALLE EXTENSION UNIVERSITY
CHICAGO

BUSINESS MANAGEMENT

Executive Manuals 19 and 20

THE DEVELOPMENT OF SALES POLICIES — Being Executive Manual 19, on Selling and Sales Management, in a Complete Plan of Training and Service for Executive Work

Investigated, organized, and presented by the research, consultation, and editorial staffs of LaSalle Extension University

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THE DEVELOPMENT OF SALES POLICIES

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THE DEVELOPMENT OF SALES POLICIES

Part I

Establishing Sales Policies

ONE sales manager, when he first took over the management of the sales of a well-known product, found that every salesman on his staff was bound hand and foot by an elaborate set of rules. There was a rule to be followed for almost every move the salesmen made—when to call, what to say, what not to say to different types of prospects, etc.

Presumably all these rules were designed to help the salesman make more sales. The new sales manager, however, soon discovered that many of the rules served only to lessen the selling efficiency of the men; they prevented salesmen from developing personal initiative and tended to make them like the automatic machines they were selling—took much of the human zeal and warmth out of their selling message. They did not know the principles that lay behind many of the rules; therefore, they had to follow the rules blindly.

Furthermore, some of the rules were not based upon sound principles and were inconsistent with other rules, causing confusion in the minds of the salesmen.

Principles versus Arbitrary Rules as a Policy. The new sales manager in this case, first of all, abolished all rules. He did this abruptly and with emphasis; he told every man to tear up his book of rules and to forget all but a few of them relating to terms and deliveries. Then he showed his men how, by applying certain fundamental principles of salesmanship, which he outlined, they could concentrate on selling and could sell more.

Every salesman on this large force threw up his hat, figuratively speaking, when he got this good news; and

the sales manager soon had ample evidence of the wisdom of his action by the jump that sales took following the day all his salesmen were set free from the "Thou shalt's" and the "Thou shalt not's" in their rule books.

This immediate evidence of the value of freedom to use initiative in salesmanship was in part, perhaps, the salesmen's way of expressing their appreciation of the action that the new sales manager had taken. But the fact that sales kept on coming, in greater volume daily, was very largely the result of this simple change in the policy of sales management—from ironclad rules which largely relieved a salesman from assuming his one great responsibility of handling each prospect according to his own judgment, to a policy of greater dependence upon the initiative and judgment of the men, guided by a few underlying principles of good salesmanship.

> **Policies are decisions on broad and fundamental matters which control and direct activities toward definite ends, but leave the individual relatively free to choose the means and methods by which he applies them in his work.**

It is apparent that every executive in a business can profit greatly by ability to understand and create basic policies of management; also every worker can profit because he then knows the "reason why" of many requirements which otherwise would seem to be unnecessary. This ability is developed by a study of policies as created and applied in all departments. Furthermore, an executive or worker can apply the principle of co-operation to much better advantage when he knows the policies that control and direct activities in other departments as well as in his own.

Policies versus Rules. The sales manager above mentioned knew from past experience as a salesman that, particularly in selling products or services which require a high order of salesmanship, salesmen must be encouraged to develop strong initiative; for the man without

initiative is lacking indeed as a salesman of products or services which face strong competition. This sales manager also knew that any salesman whose selling methods are founded upon the rock-bottom principles of successful salesmanship, was much more likely to have the confidence in himself that underlies intelligent initiative.

In the place of definite rules, this sales manager gradually developed certain broad and substantial policies in the application of which the salesmen had a chance to exercise their own individual judgment. He knew the difference between a policy and a rule—that a policy is the "constitutional law," based upon sound principles of government; that policies underlie rules.

To be absolutely fair and square in all dealings with the prospect—that is a policy. Honesty is a fundamental policy. "Never tell a customer that a certain competitor is dishonest, either in so many words or by insinuation"—that is a rule, covered by a policy of absolute fairness in all relations with competitors.

Sales policies serve to guide both the management of sales and the salesmen in making the right decisions, but they leave largely to management or to the men the problem of how the policy shall be applied in any case.

POLICIES RELATED TO SALES MANAGEMENT

Policies may cover the whole range of business activities, including relationships of one kind or another within the business, such as a policy of close interdepartmental co-operation, contrasted with a policy of breeding competitive attitudes between departments. Policies also cover relationships of the business with all its outside contacts, particularly with consumers and distributors of its products; also with banks and with sources of supply.

One concern may have a policy, usually unsound, of placing the burden of building sales almost entirely upon the prowess of a staff of high-pressure salesmen, and of

placing relatively little emphasis upon the quality of the product as a sales-building factor. Another concern may follow the policy of placing nearly all its dependence for sales upon the excellency of its product and relatively little dependence upon the skill and intelligence of the salesmen—also, as a rule, unsound.

> **To give due attention to each one of the several basic factors which combine in making and influencing sales —this is the best policy.**

The general policy of placing almost equal emphasis upon both quality of product and "quality" of sales management and salesmanship as factors responsible for getting the best sales volume at the least cost is the policy followed by many concerns who understand the relation of the product to the market, as explained at the beginning of our study of sales management.

Sound sales policies are a development over a period of time; few of them can be created "over night." They are usually the outgrowth of experience, experience inside and outside the business. The more important and broader sales policies are usually not established by the sales department alone, but are the result of the combined experience and thought of several department heads and the general management. Also, outside distributors are often consulted in the development of those policies which directly affect a concern's relations with those distributors. Furthermore, many policies which affect sales concern relations with customers which are controlled largely by other than the sales department. Credit and collection policies, for example, have a vital bearing upon the sales problem and should be developed in co-operation with the management of sales.

> **Every business policy everywhere in the business, if carefully weighed in the light of its effect upon sales before it is adopted, will more likely be a sound and profitable policy.**

Specific sales policies are based upon general business

policies, which, in turn, are based upon sound principles of profitable management.

What Specific Sales Policies Cover. There are many policies which relate specifically to the proper handling of the sales problem; and it is these policies that we shall consider at this point. Mainly, these specific selling policies cover—

1. Prices and terms—the fixing of prices and discounts, terms, credit, etc., that will be the same to all buyers in one class.
2. Relations with distributors—including selection of the best distributing channels and methods of dealing with them; also a decision for or against the establishment of exclusive agencies.
3. Relations with consumers—a decision as to the nature and extent of the guaranty of consumer satisfaction in using the product or service.
4. Relations of salesmen with the house and with buyers.
5. Relations with competition.

First, we shall survey those sound policies which relate specifically to prices, distributors, and consumers, including a detailed analysis of points underlying the right decision concerning distributing outlets, whether direct to consumers or thru retailers with or without the use of jobbers, or any combination of these outlets (a decision for which the basic foundation was laid in Executive Manual 18). Then we shall be ready to cover certain policies which govern the salesman's relations with his house and his market; also certain variations in policies as affected by varying and changing conditions of competition. Later, in the second part of this manual, we shall take up more in detail the important matter of co-operation with distributors—how best to give co-operative selling help to dealers and get their interest and the interest of their sales people in the sale of our product to consumers.

The Value of Sound Sales Policies. Definite sales policies do away with annoyance and possible indecision

when management is called upon to decide minor questions; they prevent complicated situations and keep the road clear for progress. Sales policies prevent salesmen from wobbling in decisions on special requests from customers and prospects, such as changes in the form or character of the product, terms of payment, deliveries, etc. And once decided upon, policies, as long as they are in force, should be adhered to as strictly as a well-operated railroad keeps its trains running per time-table.

As stated on a preceding page, sales policies based on broad principles are the basic "laws" that govern the sales organization. Just as the community in which we live has fixed laws to govern current and recurring conditions, certain "laws" are evolved to govern the selling practice of a business, with a "constitutional law" in the background, such as the honesty policy previously mentioned, to serve as a basic guide in establishing specific selling policies.

The value of sound selling policies in directing a sales organization is comparable with the value of good laws in the administration of government.

So vital is this matter of establishing sound selling policies that one man alone can seldom decide the question of what these policies are to be; but the opinions of the executives in other parts of the business are to be considered, and no opinion should count unless it is based upon the application of sound principles of profitable management.

ESTABLISHING THE RIGHT PRICE POLICY

First, consider the price policy, one of the most important matters to be decided upon in many cases. This requires complete and accurate knowledge of the costs of production, especially so under conditions of close competition wherein price is an important factor in the sale. The competitive situation often controls prices. In some cases it may even be found absolutely necessary to get costs down lower than they are.

Costs of production have a great deal to do with prices, unless competitive conditions permit a relatively high price; and basic costs come from the production department.

No one man can decide the price question. Where price competition is important, get out the cost sheets, call a conference, decide on what the prices shall be all the way up and down the line of distribution so far as possible, get the quantity discounts fixed. Put the whole thing down on paper. Consider the effect of various prices on selling costs, on sales volume; also consider the effects of increased output upon costs of production. Will cost per unit of product go down with increased output? How much?

Once the price is fixed, let your price list be your price policy; stick to it. There are times, however, when a price should be changed. When a new line is put out by a manufacturer, the price first fixed sometimes proves to be too high or too low. It is well to remember that it is easier to reduce the price than to raise it.

The Give-and-Take Policy with the Salesman. One manufacturer of a large line of fancy stationery applies what he calls the "give-and-take policy" in meeting the "if's" of salesmen. When salesmen say that a certain item would sell better *if* the price were a little lower in order to permit the retailer to mark his resale price down where the item would sell much faster, this manufacturer would put the matter before his production department, giving the salesman's reason why the price should be lowered. If costs could not be lowered on the item, this would be explained to the salesmen, and it would then be up to them, as well as to management, to devise ways of overcoming this "if." But if the price could be lowered, this would be done.

Executives and workers in each department can help increase net profits by applying the give-and-take policy in their co-operation with others.

This manufacturer applies the give-and-take policy by anticipating important "if's." Not only does he ask his salesmen to get in their "if's" soon after a new line is given them to sell, so that any necessary changes in the product or price can be made early in the period for selling this new line, but also he calls a conference of picked salesmen with the designers of new products to determine new items for the line to be offered during the coming season. The salesmen are expected to specify styles, sizes, units, range of prices, shades, and even to select the box designs for the new line of stationery.

"Thus," says this manufacturer, "we iron out more 'if's' in advance than the salesmen could develop in a month. It is a give-and-take conference. If the factory men say that this or that number could not be made to sell at a certain price, the salesmen either abandon the number or make up their minds to have it at the higher price and use more selling steam. If they want a certain kind of package that the factory does not like to make, the factory may decide to tackle the problem with determination to lick it for the salesmen."

The ''give-and-take'' policy cannot be applied blindly. Special care must be maintained to avoid:

1. **Prejudices on the part of any department toward making a change in methods, materials, or product even tho it may clearly seem to be an improvement.**
2. **Exaggeration of an obstacle to sales which really can be satisfactorily overcome by good salesmanship.**
3. **Failure definitely to substantiate any defects in product or methods claimed by the salesmen.**
4. **Inaccurate estimation of the costs entailed in any contemplated change.**

The Take-It-As-It-Is Policy. The give-and-take policy mentioned above is advisable in many cases. But there are some cases where only the take-it-as-it-is policy can

be applied, at least for a given period of time. The manufacturer just mentioned also said, "I am firmly convinced that some products must be sold just as they are turned out by the factory, at the factory-set price and in the factory-established unit and packing. In such cases, the salesmen are told that if anything is wrong about the proposition, it must be their selling, and they, with the help of management, are the ones to improve that."

Another manufacturer goes so far as to say, "It is necessary for a salesman to take conditions as he finds them; all except the particular conditions it is his business to change." But a policy of arbitrary resistance to all demands of salesmen for changes is in most cases as unsound as a policy which aims to adopt virtually all suggestions of changes from salesmen. Executives who try to heed every "if" of salesmen make as great a mistake as those who will not consider any of the "if's" of any of the salesmen.

The One-Price Policy. In nearly all cases, a one-price policy—the maintenance of one price to all buyers in one class, with any necessary change in price applied at the same time to all buyers alike in any one class of buyers —is the only tenable price policy.

Especially in lines distributed thru the retailer, prices must be as firmly fixed as the pyramids. The policy of honesty is violated when one price is quoted to some retailers and another to others on the same goods in the same quantity under the same selling conditions. Furthermore, in these days of close retail associations, it is only a question of time before somebody starts comparing notes, and that is fatal to the manufacturer or distributor with "rubber" in his price list, in his terms, or anywhere in his dealings with retailers or other distributors.

Maintaining the same price and terms to all buyers in the same class during any one period of time is known as the one-price policy.

Every manufacturer who has given his salesmen leeway on the price question knows that if given an inch, many salesmen will tend to take a mile. The salesman who knows that his company will cut prices under pressure, naturally, almost invariably, brings that pressure to bear. The result is ill will and slashed profits.

Apart from comparing notes with each other, retailers or other distributors soon grow to know the manufacturers whose prices are elastic. Even in buying a suit of clothes at the store, for example, we all know that we can have but little confidence in the clothing store whose price tags are only a basis for dickering. On the same principle exactly, the distributor has but very little confidence in the manufacturer whose prices can be forced down by shrewd dickering.

Set your price at a fair figure—fair as to the profit margin allowed to distributors, to the price that the consumer must pay, and to the net profit that you expect to make. Offer quantity discounts if it is advisable, but do not give the discounts except where the quantity is purchased. That is sound price policy of the kind that furnishes the right foundation for developing good will which underlies increasing sales.

Evils of the Multiprice Policy. The evils of a multiprice policy as contrasted with a one-price policy were illustrated by the experience of a large manufacturer whose product was distributed thru hardware stores and lumber dealers. This manufacturer decided to have an expert investigation made of his selling methods. It was found that there were 6,200 customers on his ledgers; and in a big card-index file was one card for each customer showing the prices at which he bought. Six thousand two hundred price cards!

To all intents and purposes this concern's prices were whatever the salesman sold at—and he sold at whatever the retailer would pay for the goods. Smith, in Bloom-

ington, Ill., bought a carload a year for $1.75 per unit; while Jones, in Springfield, Ill., purchasing about half as much as Smith, was buying identically the same stuff for $1.00 per unit.

Competitors, beginning to realize this situation, were using it as a leverage in displacing this manufacturer's product. Merchants were comparing notes at conventions, and the result was lost customers.

This bad price situation had been, in large measure, the result of a phenomenal growth of the business in a short space of time. But the larger the business grew, the more complicated and unhealthy the price situation became. When outside sales counsel was called in, those 6,200 price cards were menacing the very life of the business.

In the course of the investigation, net profits were found to be lower in this particular concern than in others who put out a similar line. And this was mainly due to the fact that the majority of this concern's salesmen took advantage of the situation and sold at the low rather than at high prices.

How This Condition Was Changed. After carefully assembling information for three weeks, it was found that at a price scale about equal to that of competing manufacturers, this manufacturer could net the same profit on three-fourths of his current volume of sales. In other words, he could lose 25 per cent of his trade and still make as much money, provided the remainder of the business were put on a fixed-price basis.

Some improvements were introduced in the product, which justified the use of the word "improved," and this word was added to the label. Then, after several months of analyzing, planning, and getting affairs in shape, the concern's first fixed-price scale was put into effect.

No notices were sent out to the trade. All work was done thru the salesmen, who covered their territories

once every sixty days. Each salesman was called in, individually instructed on the new price scale, and was shown how the product had been improved.

Naturally, the few customers who had been paying more than the new price scale gladly accepted the decrease. The rub came with the retailers who had been purchasing at less than the new price scale called for. But with the aid of the word "improved" on the label and the obviously bettered quality of the article, the salesmen won over a high percentage of this class of trade to the new price schedule.

Altho a large number of customers refused to pay the increased prices, the brand was well enough known in most towns where this company had had a dealer for any length of time to enable the salesmen to secure a new distributor on the established prices. After six months of hard work, one printed price list replaced the file with its 6,200 cards.

Thus the business was moved from the shifting-sand base of elastic prices to the solid foundation of a fixed-price policy. Later developments in this particular industry proved that a continuance of the old multiprice policy would have meant inevitable ruin.

Major "surgical operations" required to eliminate fundamental causes of business difficulties should not be delayed.

Different prices to buyers of the same class are always a fundamental cause of difficulties. About the only business in which there is any excuse for different prices to different people in the same class is one where every job is a "special" and prices based on cost to manufacture are submitted in competition with other suppliers.

In the case of many raw materials, such as pig iron, cotton, raw silk, copper, etc., prices are fixed by competition in an open market, as explained in Executive Manual 2. Such prices change frequently, and these

changes are widely quoted in various publications. Any one producer's price at any one time will differ slightly, if at all, from the quoted price. The one-price policy above advocated applies primarily to the many lines of products or services on which the seller has some leeway in deciding on the price he shall ask.

The Basis of Good Selling Policy. Because of the great bulk of merchandise that reaches the consumer thru retail stores, we are dealing largely with selling policies from that angle. To have fair and consistent price, discount, and credit term policies, however, is equally important whether our goods are distributed direct to users or consumers or thru established distributors.

> **Fairness to all alike in all our relations with all classes of customers, based upon the principle of common honesty, is to-day, more than ever, good general business policy—and is the basis of good selling policy.**

Giving a new customer some advantage in price or terms or service over old customers is inconsistent with this principle. Exceptional care in handling the orders of old accounts is a sales-building factor as much as in handling the first orders of new accounts. Selling and service policy can ill afford to play any favorites. It is well to remember that "first impressions are lasting impressions" only if they prove to be justified by subsequent experience. If second or third or fourth impressions are unfavorable in comparison with first impressions, these later impressions are the more unfavorable in contrast with first impressions. A consistent service policy, in line with common honesty—and that the best service that can be given to all alike—is the policy insisted upon by sales management when guided by the basic principle of fairness to all alike.

> **When special and undue effort and care must be exercised to hold new accounts, this indicates that there has not yet been established a standardized brand of service to all customers that is as high as it should be.**

That condition within the business may be variation or lack of uniformity in the quality of the product delivered to customers, or it may be delayed deliveries, or inattention to special requests from customers, or poor packing. Whatever the cause of the low standard of service may be, it is of direct concern to the manager of sales.

The manager who adopts the policy of confining his attention altogether to the business of getting orders, regardless of how that business is taken care of after it is secured, is in many cases likely to be, thereby, setting himself and his men the task of overcoming unnecessary obstacles to sales in the shape of poor service of one kind or another. These obstacles could nearly all be removed by application of the give-and-take principle to interdepartmental relations.

One sales manager selling shooks (slabs of wood cut to length for crates) in carload lots to manufacturers and wholesale houses seldom had a month go by but that some carload shipments were refused and returned by his customers, at considerable loss of good will and patronage to his firm.

This sales manager suggested inspection of the product when it was loaded into cars. A man who had had experience in crating was employed as inspector. Thereafter shipments were seldom refused, and the reduction in sales resistance lowered the selling costs alone much more than enough to balance the cost of inspection. In fact, sales then were increased so readily that this organization has since then added another shook factory to its production organization, without increasing the personnel of its selling organization.

That is one of many cases that could be cited wherein the policy of including attention to service as well as to sales has greatly increased sales at a decrease in selling costs per unit of sale.

POLICY AS RELATED TO THE USE OF JOBBERS

In Executive Manual 18 we laid the foundation of practical and sound judgment and the right point of view concerning the choice of distributing channels. Let us now consider specifically the question, Shall we or shall we not sell the jobber?—a big question of policy to be settled in most businesses that distribute thru retailers, and a question on which sales management should take a rational view, neither arbitrarily for nor against the jobber.

Some of the bigger jobbers to-day prefer to market many products under their own private brand. In the hardware trade, for example, the brand "Revonoc" belongs to Hibbard, Spencer, Bartlett & Company; the "Keen Cutter" trade-mark belongs to Simmons; and the "Diamond Edge" to the Shapleigh Hardware Company; while in the grocery trade, Sprague, Warner & Company own the "Richelieu" brand.

Shall we or shall we not supply the goods to be resold under the jobber's own trade-mark? If we do this, we thereby, as a rule, take advantage of an outlet for a considerable quantity of merchandise at a short margin of profit, perhaps using this outlet to help us keep our plant running as near to capacity as possible, and thereby keep down our overhead expenses. But the good will built up for the trade-marks goes, of course, to the concerns owning them. A change in source of supply of trade-marked products does not affect sales as long as the goods are up to grade.

The real problem of jobbing distribution, however, comes when the manufacturer's salesmen are in the field selling his own brand. The manufacturer knows that no jobber will want to pass by, for any length of time, any products for which the retailer has a good consumer demand. And if the manufacturer's field work has been intelligent enough and a product has an appeal, even-

tually the jobber's salesmen report in to their house, resulting in an opportunity to sell a considerable quantity to jobbers, as against smaller lots to individual dealers.

Many specialties, as well as staples, become attractive to jobbers once their sale gets going in retail stores.

Here is where the need for a definite policy of distribution arises. But, first, let us further analyze the jobber and the conditions surrounding his business.

What the Jobber Offers the Manufacturer and Dealer. Jobbers in the majority of lines are, with few exceptions, largely local institutions, confined to the general territory in which their offices and warehouses are located. It is easy to understand why this is so. In the United States there are more than 300,000 grocery stores, 40,000 furniture stores, 45,000 drug stores, 25,000 jewelry stores, 35,000 hardware stores, to say nothing of the other classes of dealers, bringing the total of retailers up close to 750,000. There are more than 148,000 general stores alone.

In the grocery line, the retailer may only occasionally be in the market for the products of an individual manufacturer and then buys only a small quantity. Consequently, the manufacturer's salesman is at best justified in calling only at long intervals. On the other hand, the grocery jobber's man will call every thirty days, or even oftener. The jobber can afford to do this intensified work on the territory on account of the multiplicity of the lines he handles.

The jobber's salesmen cover their local territory many times as closely and frequently as most individual manufacturers could afford to cover it.

The dealer purchasing from the jobber is enabled to order smaller quantities of individual items and to meet a large number of his wants at one time. Also, in many cases, the jobber carries over the retailer's accounts on terms which make the transaction almost a matter of financing the retailer's business for him.

So the jobbing situation in general offers the manufacturer a market for a large volume. The jobber often pays prompt cash for a quantity of goods, where the retailer usually takes his time in paying.

Some Things the Jobber Does:

For the Manufacturer:

1. **Pays bills promptly and assumes risks by extending credit to the retailer so that less capital is tied up.**
2. **Markets products which, by themselves, cannot support a separate sales force.**
3. **Furnishes a "ready built" distributing organization in the case of new products for which there is a demand.**
4. **Because of specialization in his field the jobber can often distribute more cheaply than the manufacturer himself.**

For the Retailer:

1. **Gives close service—calls frequently and delivers quickly.**
2. **Supplies in small lots so that money is not tied up in inventory.**
3. **Permits a quicker stock turn and thus helps raise the per cent of profit to investment.**

Does the Jobber Create Sales? Does the jobber create sales; does he make a real market for a manufactured product? He can, perhaps, but he seldom does. This is only natural. He usually has many lines to show, may carry several competing products, and he makes his towns so quickly that he can take little time to push any one product or line. For the most part he sells what the retailer knows he wants, and reminds him of a few seasonable articles. As jobber salesmanship is generally practiced, there is little opportunity for selling what the retailer does not recognize his need for or thinks he does not want.

Under certain conditions, however, a producer may depend on the jobbers for his sales to new accounts. A young concern with a small working capital can sometimes sell the jobber, and can command ready cash in-

stead of being obliged to await the pleasure of retailers in paying up their accounts.

A certain patented pair of pliers wholesales to the dealer at 30 cents and retails to the consumer at 50 cents. The dealers usually buy a dozen at a time—total, $3.60.

The manufacturer making this one item could not employ traveling salesmen to call on the trade. Total sales, let alone profits, would hardly pay selling expenses. To market his goods, this manufacturer had to do one of two things: either put it out thru side-line commission salesmen or give it to the jobber. Side-line men are unsatisfactory as a general rule. So here the jobber played a big part. His men, closely and frequently covering the territory, could show these pliers and get a number of small orders. The manufacturer was not obliged to handle the accounts of many retailers and wait for his money. The jobber carries the small accounts and promptly gives the manufacturer a check for the total amount. He gets the jobber to do this for him by making the jobber an attractive price that allows a good margin of profit in his sales to the retailers. He is able to make this low price to jobbers because he is specializing on the production of one item in large quantities.

In a situation of that kind the jobber is a valuable factor in getting distribution among retailers.

> **Where close working of territory, small dealer stocks, and frequent calls are necessary, the jobber is likely to be a more economical and efficient distributor than the manufacturer.**

But where strong introductory sales efforts are required, the jobber, with very rare exceptions, does not undertake it. Strong selling effort was not a requirement in placing the patented pliers with many retailers.

In some cases, the manufacturer places one of his own men on the jobber's staff temporarily and secures excellent results. This man is called, in many cases, a "missionary man." He may not only talk at meetings of the

jobber's sales force but may also go out in the field, make sales to dealers, and work with the jobber's salesmen until they are able to sell the goods effectively.

> **Take careful note of every phase of the situation, past, present, and future; weigh the advantages of jobber distribution against its disadvantages; and then let the question be decided by the facts.**

That is the procedure of efficient management in deciding important questions, such as whether to sell the jobber or direct to retailers.

THE POLICY CONCERNING RETAIL DEALERS

The matter of dealer policy resolves itself largely into a choice of the class or classes of dealers thru whom we will distribute our goods, if we choose to distribute thru dealers; whether or not we shall grant exclusive selling rights to dealers; and what assistance our salesmen are going to render the dealers who handle our goods.

The class of dealers thru whom we distribute is fixed largely by precedent in some cases. But it may pay to disregard precedent, under favorable circumstances.

A company making a corrugated-iron roofing, whose product had been distributed exclusively by hardware stores and tinsmiths for a number of years, added 25 per cent to its yearly sales by starting an aggressive selling campaign to the lumber dealer. This company had been bound hand and foot by precedent. Except in a few isolated cases, the lumber dealer had not been considered as a distributor; but once the practice got started, it spread fast, and to-day many lumber dealers handle corrugated-iron roofing.

The metal pencil was at first considered as a jewelry or stationery item to be distributed thru jewelry and stationery stores exclusively; but now we find it on sale at the corner drug store, the cigar store, the variety store, etc., as well as in the stationery store. Almost universal distribution of the metal pencil has been an important

factor in gaining universal use of this product, as in the case of many other products.

The Policy Concerning Exclusive Agencies. Some manufacturers have sold to retailers under exclusive agency agreements and to the jobber at the same time. But this leads to unsatisfactory situations.

A flourishing Western business started in a small way some ten years ago, selling direct to the druggist. One of the partners had called on the leading drug jobbers of Minneapolis and Chicago. These jobbers had absolutely refused to purchase. One jobber said, "Come to me when the retailers are calling for your brand and I'll buy it."

This concern then turned its attention to the retailers. By dint of hard work, a good line of products, and a growing demand, it soon placed exclusive retail agencies in many Middle-Western towns. Altho competitive brands were handled by other dealers, these agencies built up a good business.

The consumer as a class called for Robinson's Reliable Rubber Goods. Dealers began to ask their jobber for these goods, and the jobbers then got in touch with this manufacturer. Dazzled at the prospect of big quantity business, this manufacturer immediately proceeded to sell the jobbers. This forthwith led to trouble. When one of the jobber's salesmen called on a druggist who had the exclusive agency on Robinson's goods, he would say, "Oh, you handlin' Robinson's stuff now, Bill? We sell it too. Do you need any?"

If the druggist needed any, he gave the jobber's salesman an order. In going thru the jobber's hands, this manufacturer's profit and the sales of his own man were cut down. But that was not the worst of it. Take the druggist who has had the exclusive local agency for years, has pushed sales hard, and has established not only a fixed retail price but a good demand for the product locally. Along comes a new dealer. He finds a good de-

mand for Robinson's Reliable Rubber Goods. He cannot buy them from the manufacturer, but he can and will purchase them from the jobber. And when he does, what is an exclusive agency worth in that town?

The manufacturer's permission of such a roundabout violation of his exclusive agency agreement is, of course, plain dishonesty. Selling jobbers and giving dealers exclusive agencies in the same territory will not mix.

"We give you the exclusive agency" is generally regarded as a strong appeal; but it is not, in most cases, the way to the best volume of sales. Even in lines ordinarily handled by exclusive agencies, such as paint, a manufacturer may step in with general distribution and no protection and sweep the market, as one large paint manufacturer has done since the War.

Why Appoint Exclusive Agencies. The manufacturer who offers the retailer an exclusive agency solely because it is an additional talking point makes a mistake. The real reasons for an exclusive agency should be:

1. Because one retailer agrees to sell, and in all probability will sell, a big enough volume of the goods per year to justify it.
2. Because the merchant in return for the agency will "get back of" the product and co-operate with the advertising and selling policy of the producer, because it pays him to do so.

One large manufacturer offers exclusive agencies on his principal product. In one Wisconsin town he has one dealer doing a business of better than $4,000 a year. That dealer is worthy of protection against competition. But in a neighboring town, where opportunities are even greater, this manufacturer has another exclusive dealer whose yearly business averages only $700, this in spite of the fact that over $18,000 of similar goods are sold every year in that particular community by competing retailers. Furthermore, the agreement entered into by this manufacturer prohibits him, for a period of years,

from appointing another agency or throwing the town open where his agent has fallen down. This illustrates bad practice in appointing exclusive agencies.

Exclusive agencies should be placed contingent upon the dealer's producing a certain minimum volume of business from year to year.

In the event of his failing to sell up to or over that volume, the town should automatically become an open market.

Wherever the exclusive-agency proposition arises, the choice of dealers is vital. The kind of exclusive agency chosen largely determines what the volume of business from that territory is going to be.

The Exclusive Agency method may or may not be utilized in any line of business, but frequently the following kinds of products have been distributed satisfactorily thru exclusive agency arrangements.

Automobiles	**Typewriters**
Men's Clothing	**Automobile Tires**
Pianos	**Branded Shoes**
Phonographs	**Agricultural Implements**
Heating and Plumbing Appliances	**Paints and Varnishes**
Washing Machines	**High-Grade Wall Papers**

The following kinds of products have not been distributed as readily thru exclusive agency arrangements.

Dry Goods	**Socks**
Cigars	**Shirts**
Cigarettes	**Soaps**
Pipe Tobacco	**Talcum Powder**
Groceries and Foodstuffs	**Toilet Articles**
Collars	**Toys**

More and more the general tendency in many lines is away from the exclusive agency as a fixed, definite policy. And where exclusive agencies are given, the policy to-day is nearly always flexible enough to protect the dealers whose business justifies it, and to throw towns wide open where the opposite holds true. As a general rule, no

exclusive agency should be given unless under contract to give the manufacturer a definite minimum volume of sales in the territory covered.

The Policy Concerning Co-operation with Dealers. The question of the amount of co-operation we are going to extend to the dealer is an important matter of policy. We shall here at this point confine ourselves to a brief consideration of certain special phases of the salesman's work; then take up this matter more broadly in Part II of this manual. Salesmen have two classes of retailers to deal with:

1. The new buyer.
2. The customer—established trade.

In a great many cases of efficient management of sales, it is standard practice for every salesman who opens a new account to spend some time with the merchant, after the deal is closed, giving him and his clerks a detailed, helpful, and clear talk on how to sell the product, getting them in an active selling frame of mind; and also, perhaps, to return after the goods are delivered and get them started right.

One very successful sales manager states his policy—a policy that may be successfully applied in a large number of cases—as follows:

"In all calls on established trade, we have found it of great value to have a standard practice for salesmen to work from. Under our plan, instead of going in aimlessly with the idea of making themselves agreeable, our men enter the store with the fixed purpose of showing the merchant and his clerks the best way of actually selling the products to their customers. They substitute valuable information for pleasantries and leave behind them enthusiasm and conviction based upon knowledge of the merit and value of the products to the consumer.

"Until we tried it," continued this sales manager, "we had no idea how much could be produced in cash returns by a sales force where the return call on a dealer is made with the specific object in view of showing him how to sell our goods. So important is this matter of selling the merchant and his clerks on the best ways and means of

moving our product on into the hands of consumers that we insist upon our salesmen calling on a definite number of consumers each month, so that they may be sure to retain the consumer's viewpoint. This keeps the salesman's perspective intact, gets him mentally back of the counter with the dealer's customers, and encourages him to work with instead of on the retailer. And that, largely, is the reason for the success of our men in selling the retailer."

THE POLICY CONCERNING CONSUMERS

It is one thing for a manufacturer or a producer, a wholesaler or a retailer, to establish the right policy relating to the responsibility assumed for the satisfaction that consumers get from the use of the product or service that he makes or sells, and another thing to live up to this policy. It is one thing to establish a policy of "Welcome to all complaints from consumers," as a basis for improvement of product and service, and another thing to practice this admirable policy. It is one thing to announce the policy of following up consumer sales to make sure of consumer satisfaction on the part of those consumers who otherwise would not complain, but would quietly "swear off" the consumption of your product or service; and it is another thing actually to follow up consumer purchases with definite checks on consumer satisfaction, as by writing letters of inquiry now and then to a few consumers, asking them to tell whether or not they are fully satisfied with their purchase, or by some other effective method.

We should guard against making spoken or published claims of our insistence upon consumer satisfaction in public, and then failing to uphold them in private.

This whole matter of our policy concerning consumers sifts down, as do nearly all important questions of policy in sales management, to the one question: Are we honest? If we are, our consumer policy is "Money's worth or money back."

In the turmoil of the problems and the questions right under its own eyes, efficient management guards against loss of perspective. The efficient executive never loses

sight of what happens when the person who buys for his own use finds something wrong. Such an executive may pay out good money for the printer's-ink kind of publicity, but he never forgets that the best advertising in the world is that done by those who like his house and its product and its policy, who, by word of mouth, actuated by good will, convey their opinion to others who thereby are led to buy his product. He knows that the complaint received with good grace and cheerfully adjusted often makes even a better friend than if the product were satisfactory in the first place. The consumer who becomes convinced of our good faith, even tho the product has been disappointing, will give us the benefit of the doubt.

Gain the good will of the ultimate consumer, whose favorable opinion of your business is built by giving him what he pays for—that is the greatest of sales policies.

That policy rests on the principle of common honesty—of consistent fairness to all alike, whether to consumers or to distributors—the principle that underlies good sales policy in general.

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Now, in Part II, let us consider briefly some of the more fundamental aspects of co-operation with distributors as part of the essential basis we are laying for good work, later on, in the organization and direction of a force of salesmen.

THE DEVELOPMENT OF SALES POLICIES

Part II

Co-operation with Distributors

EARLY in our study of sales management we established the scope of responsibility of the manager of sales. In addition to supervision of the work of salesmen—a subject to be treated in detail a little later on—we saw that the responsibility of sales management reaches out into all activities employed in the distribution of a product or service into the hands of ultimate consumers. Whether a product or line is distributed thru agents or factors, chain stores or mail order houses, or thru the regular channels of jobbers and retailers, proper co-operation with those distributors is vital to success in managing sales.

If his goods are distributed either in part or wholly thru retail dealers, then all these retail dealers are, in a very real sense, part of the manufacturer's selling organization; and this is true of jobbers if he sells thru them. How the producer or manufacturer gets and gives co-operation with his distributors—the fundamental policies which underlie the solution of this important function of sales management—is our problem at this point.

The Purpose of This Study. First, it may be well to remind ourselves that the purpose of our study of sales management is not to cover every conceivable detail of this great subject. There are innumerable detail angles in the management of sales, which vary a great deal as between different industries and different lines of business in the same industry. It would be impossible to include all angles of this problem as related to different lines of business.

What we want, primarily, is the deeper and more fundamental matter of acquiring the right perspective or point of view on the major problems of the management of sales, and to acquire a grasp of the principles which will enable us to meet situations which are constantly changing even in the same line of business. We want to be fundamentally right in our attitude and our understanding of these problems as a basis for intelligent practice either as sales managers or in co-operation with the management of sales in our business. Let us remember that—

> **An efficient executive understands fundamental principles, so that no matter how the details change he can always go back to the principle and work out the particular problem.**

When we know, for example, that one of the fundamental problems of the management of sales relates to the assumption of responsibility on the part of our company for the satisfaction of consumers, that this requires a policy to be laid down determining the extent of responsibility we shall assume for consumer satisfaction—whether it shall be full or partial—then we can better understand the nature of the problem of a guaranty, which is a definite declaration of this responsibility to consumers.

Furthermore, when we fully realize the fact that our business depends for its health and growth primarily upon the quality of our product or service as determined by consumers, when we give the ultimate consumer his true place at the head of those forces which actively control the conditions under which sales must be made, we know that we must make good with consumers if we would make good anywhere else. If we have a fundamental appreciation of the important part played by consumers in the growth of our business, we are likely to have the kind of attitude and understanding that underlies the right kind of decisions on sales management

problems—and, on nearly all other business problems. We then realize that we guarantee our product or service necessarily, whether or not we use a definite written guaranty. We then can see that this matter of using a written guaranty is, in a sense, subordinate to the question of the extent of our assumption of responsibility for consumer satisfaction.

Considerations in Deciding on a Written Guaranty

1. **Will such a guaranty be a practical help in gaining distribution?**
2. **Can its wording be definite enough to prove good faith?**
3. **Can its significance be such as to instill confidence in the product?**
4. **Is it possible to carry out the guaranty in a clear-cut manner which will give satisfaction?**
5. **Is there a possibility that the guaranty as worded will become too costly if fully supported?**
6. **Is the statement of a guaranty likely to be broader than the responsibility it is intended to assume?**
7. **Will a guaranty encourage abuse of the product in any manner?**
8. **Can a guaranty be controlled within the limits of its real claims or will it likely encourage leniency?**

Having decided this matter of the extent of responsibility to be assumed, we can then decide whether or not to print our guaranty and give it circulation among consumers—after weighing the advantages against the disadvantages of using a written guaranty. This applies whether we sell direct to consumers or users or thru distributors.

The Guaranty as Applied thru Retailers. In many cases the application of a guaranty to consumers is applied thru retailers; that is, the retailer of the product is empowered to make adjustments of one kind or another in assuring satisfactory service to consumers, and the manu-

facturer often credits the dealer with the expense of these adjustments in so far as they come within the manufacturer's guaranty of his product, as in the case of some manufacturers of tractors and other farm machinery; also automobiles.

In a great many cases, however, wherein unsatisfactory service is likely to be caused by misuse of the product in the hands of consumers, the manufacturer's policy may be such as to require decisions on repairs and replacements to be handled by adjusters at the factory.

> **No manufacturer, wholesale house, mail order house, or retailer is ever warranted in guaranteeing his product against misuse, unless he fails to do his part toward instructing buyers in the proper use and care of the product in the first place.**

One automobile manufacturer who fully appreciates the consumer's own responsibility for getting satisfactory service from his car has always given a great deal of attention to the problem of getting consumers to take proper care of this automobile in use. His sales manager is as much interested in having this car give good performance in the case of every owner as he is in multiplying the number of owners. He sees, in true perspective, the relation between sales and performance; he also sees the relation between proper care of the car and its performance. His car is a good one, but he knows that no matter how good it is as a new product, it will give unsatisfactory service unless it is properly taken care of by the owner.

This seems to be a simple and obvious matter, that of taking many precautions against abuse of a product in the process of the consumption of that product. But its relative importance in many cases is overlooked.

Assuring Consumer Satisfaction thru Dealers' Service. Not only does the automobile manufacturer mentioned include in his contract with distributors definite agreements concerning the attention they and their dealers

must give to this matter of assuring proper care of this car by consumers, but also he carefully checks up on his distributors and dealers in order to make sure that they fulfill this obligation to consumers.

He has no distributor or dealer in the ranks who is not well equipped to render users good repair service at reasonable cost. He appropriates $50 credit on each car sold by every dealer to pay for dealer service during the first year of the life of the car. This provides for definite periodic inspections of each car and for minor repairs and adjustments which may be found necessary. The dealer reports definite details of work done on each car from time to time, gets the car owner's signature on each report, and "bills" the manufacturer who accordingly credits the dealer's account either direct or thru the distributor. This credit to the dealer is not given unless it is earned by actual service rendered in each case.

This manufacturer's service department at the factory writes a letter to each new buyer, including a printed circular, which gives the consumer the very best of advice concerning the care of his new car. The letter is personal and is designed to impress the customer with his own obligation as well as with the great obligation of the factory to make sure that his new car is perfect in every way; and it explains the dealer's obligation, but does not mention the fact that dealers are paid for inspections and minor repairs and adjustments by the factory. The dealer is allowed to "cash in" on the good will gained by his liberal service policy.

As a result of this plan, worked out originally by the sales manager of this company, this make of automobile has one of the cleanest service records of all; and sale after sale can be traced directly to the enthusiasm of satisfied owners.

Assuring consumer satisfaction either directly or thru dealers is a basic means of increasing sales at low cost in many lines.

THE RIGHT ATTITUDE TOWARD DISTRIBUTORS

Whatever your product may happen to be, if it is distributed thru dealers, it is necessary to remember that a retail dealer, or a jobber, is a man in business for himself, accountable to himself alone for what he does. Like the farmer, he cherishes his feeling of independence; he resents help administered with a paternalistic flavor by any manufacturer or other business from which he buys his goods. He ordinarily is not willing to admit that a manufacturer knows more than he does about how to run his store; and this attitude on the part of a manufacturer is usually fatal in any attempt to help the dealer sell more goods.

In no small measure is this matter of independence on the part of dealers at the bottom of their resistance against many dealer helps offered to dealers in the wrong way.

"Look at this spread of advertisements we are running for you in current magazines. They'll certainly help move the goods, won't they?" said one salesman who was having poor success in comparison with another salesman selling a competing product who was saying to his prospects: "You'll be interested in seeing the advertisements that a majority of merchants thought to be the best in the bunch we sent you in January. Here's one that nearly all of you agreed on as the best one. It runs next month in *Good Housekeeping, The Ladies' Home Journal, The Woman's Home Companion*—here's the list—twenty-two good magazines in all—with a combined circulation of more than 4,000 families right here in your town, and here are the publishers' certified figures—4,312 in Peoria."

Here, in the case of the salesman last mentioned, was a plan in which the merchant had a part. In general, whether the dealer helps are magazine or local newspaper advertising, window or counter display cards, in-

structions to retail sales people, or any form of direct advertising to consumers—whatever is the kind of help we give the dealer—make him feel, in the way we give it, that he is running his business in his own way. That is good salesmanship applied in *giving*—the same brand of salesmanship that must be applied in selling.

One important reason why so much dealer-help material is never used is simply because it is not sent on request, and often because the dealer has had no hand or word in creating the help in the first place; consequently, the kind of help offered is in many cases not the kind he wants, not what is worth while from his point of view.

> **A fundamental principle of good management of sales is that which lets the dealer determine how he shall be helped in his sales of any product, co-operating with him in the creation of dealer helps for him.**

The application of this principle implies contact with dealers designed to find out what forms of dealer helps they want and will use.

The Wholesaler's Attitude toward Retailers. Some wholesalers fail to impress their trade with the big fact that they are in reality suppliers and service organizations to retailers. But when they do take the stand that they prosper to the extent that they serve the best interests of the retail merchants; when they recognize the fact that, in some cases, retailers can buy some things direct from manufacturers to better advantage than thru them; when, in other words, their policy is that of promoting the best interests of the retailers in every way, even when it cuts into their business to some extent, then the wholesaler is laying a solid foundation for increasing his business. It is a matter of long and deep vision against short and shallow vision. One hardware wholesaler wrote some of his larger customers as follows:

"Are you sure you are saving money in buying this item direct from the factory? If you can not only have those goods laid down in

your store at less cost than when we supply them, but also if you do do not lose out by stocking the larger quantity—figuring in all traffic costs, delays in deliveries, and all carrying charges on the larger stock; in short, *all* additional costs—if in figuring all the advantages and all the disadvantages of buying direct, you can add even a few pennies to your net profit in handling that item, well and good. Go ahead and buy it direct. We are with you. But if there is no net advantage, one way or the other, we get the business. Why? Because the more of your business we get, the better we are able to serve you."

Thus did this very successful Middle-Western hardware wholesaler "go to the mat" with some of his larger customers, including many department store buyers; and when his customers figured and compared all costs both ways, he got the business in a great many cases. And when he gets business that way, it stays with him.

But, most important, the retail merchant is impressed with the fact that this wholesaler takes the right attitude in such cases, and this impression causes the retailer to be inclined to give the wholesaler the benefit of any doubt.

This matter of taking the right attitude toward retailers on the part of jobbers and on the part of manufacturers is what was meant when we were considering the purpose of our study of sales management.

> **Having the right attitude toward customers in any case, whether the management is that of a manufacturer, wholesaler, retailer, broker, agent, factor, or any other selling organization, is a fundamental matter of sales policy.**

In every case, this attitude, to be sound, must be in line with the general objective of management in solving the problem of distribution, as explained and emphasized in Executive Manual 18. As we know, this general objective is to attain distribution from manufacturer or producer to consumers at the least total of all the many costs that enter into the distribution of merchandise.

Do "Dealer-Development Campaigns" Pay? Managers

of sales have developed many kinds of dealer and jobber helps in order to get better co-operation from dealers and jobbers in attaining low-cost distribution. These helps range all the way from supplying circulars for over-the-counter circulation to elaborately prepared campaigns designed to develop dealers and jobbers into better business men, sometimes called "dealer-development campaigns."

DEALER HELPS INCLUDE:

1. **Retail advertising.**
   Newspaper copy and cuts.
   Booklets, circulars, and letters.
   Retail house organs.
2. **Interior and window displays.**
   Cut-outs, display cards, hangers, racks, special show cases, designs, backgrounds and trim materials, etc.
3. **Samples and demonstrators.**
4. **Retail selling suggestions.**
   Special sales and salesmanship as applied to specific items.
5. **Dealer development.**
   Bulletins and booklets and books that aim to develop the dealer as a more successful business man.

Some manufacturers, and jobbers to some extent, have a feeling that many of the retailers who handle their lines are very poor business men; and they are inclined to look upon this fact as the main reason for an unsatisfactory volume of sales of their product. They feel that they can afford to incur considerable expense in showing the dealer how to make his business *as a whole* more profitable, and, in doing this, increase the dealer's good will toward them and get more intelligent co-operation. The aim of such campaigns is fundamentally sound, for—

> **The stronger any merchant is as a business man, the more effective will be his co-operation with those manufacturers and jobbers whose products and serv-**

ices merit his co-operation, and the more constructive will be his sales to consumers.

His costs of doing business in relation to his sales volume will be lower. More manufacturers will find it an advantage to distribute thru him rather than direct or thru a mail order house. Undoubtedly, the better dealers are as business men, the better will be the co-operation they give to manufacturers; and nearly every manufacturer who uses the retail-store outlet can afford to get behind and push every sound movement and agency of dealer development.

But it is a nice question of policy whether or not the manufacturer should launch a dealer-development campaign on his own initiative, to what extent he is qualified to do this, and whether or not he can avoid giving the dealers the impression that he is trying to educate them. They will do little unless they can readily see the value to them; and they must be made to feel that they are doing things to improve their business on their own initiative, not that things are being done for them. They must be *led* to initiate the desired improvements in their methods. They are aware of many problems that may seem unimportant to the manufacturer or distributor at his distance.

Effective Presentation of Dealer-Development Ideas. It is not always effective to tell dealers the story of some other dealer in bulletin or house organ. This is better than directly telling the dealer how to improve his business. But it is still better to stimulate self-improvement; that is, to get the dealer's interest in his turnover problem, for example, by asking him, as a progressive dealer, to do you, the manufacturer, the favor of keeping for a definite period of time a record of his turnover in your line of goods by using a uniform method of figuring turnover, for accurate comparison with the records of merchants in other towns.

In other words, you, not the dealer, are the one who wants to do the improving. But you get the dealer interested in his turnover of your goods. You get him started toward figuring sales in terms of stock turnover by lines and items in general.

Then your salesmen can "cash in" on this educational or dealer-development work by talking and selling your goods more on the basis of getting a better turnover on the investment in your line. Your service department can then, from time to time, discuss with merchants their turnover problem, stimulating the kind of turnover analysis that causes the merchant to develop for himself better merchandising practice.

Dealer-development campaigns pay, if they succeed in getting the dealer to improve his methods when improved retail methods mean increased sales of your goods to consumers.

Getting dealers to improve their methods of doing business along lines that increase sales of particular products is, as pointed out, fundamentally a matter of having the right attitude toward them.

GETTING CO-OPERATION FROM DEALERS AND JOBBERS

Getting co-operation from dealers is in part a problem in dealer selection, selling those dealers who are able and willing to give us the co-operation we want; in part, it is a problem of how we sell the dealer, getting his attention on his sales of our product, how and why it will sell; also creating sales interest, knowledge, and enthusiasm for the product after the sale is made, as explained in the first part of this manual. Furthermore, co-operation from distributors is gained, in part, by both the *kind* of dealer helps we supply and the manner in which we supply them, as explained.

The manager of sales who recognizes the great influence of retail sales people on what is sold to consumers will often be able to get their co-operation by the right

kind of direct contact with them. One large shoe manufacturer promoted a contest among shoe clerks in the development of retail shoe-selling ideas. More than a thousand retail shoe salesmen in all parts of the country entered the competition. Their ideas were used as the basis of a complete course in salesmanship as applied to the sale of shoes. This course was "dramatized" with pictures and dialog between salesmen and customers. It was interesting reading; and it gave a retail shoe salesman all he needed to know about shoes, including the different leathers and manufacturing operations. It made his job more interesting and stimulated his ambition to be a better shoe salesman. The results for this manufacturer, who had some fifteen thousand customers among shoe stores and general stores, were satisfactory. He got much more of the kind of co-operation he wanted from thousands of retail salesmen and merchants.

Altho jobbers' salesmen, as explained, cannot, as a rule, take the time to push any one item among the many they have to sell, yet many manufacturers have found that it pays to give them interesting information about their products. These salesmen usually like to get genuine personal letters of the human sort from the producers of the lines they sell. Many ingenious methods of getting the co-operation of these salesmen have been developed. Payment and prizes of one kind or another are sometimes given to those salesmen who send in the best selling suggestions; and, if the jobber will permit it, the jobber's salesmen may be given a cash bonus for definite results secured in the territory they cover. In many cases, the manufacturer sends his own "missionary" men into the field, whose function it is to visit the trade and help straighten out any difficulties. Any orders he gets are turned over to the credit of the jobber's salesmen, and he aims in every way to promote the dealer's good will toward the jobber.

The Basic Aspects of Distributor Co-operation. In conclusion, let us sum up the basic facts involved in getting and giving distributor co-operation.

First, distributors are in a position to render a service that warrants the profit they make in the sale of the product. If not, and if the product could be distributed to consumers at less cost per unit by a more direct route, then that route should be used.

Second, when the distributor is used, he is part of your selling organization, to be helped in every practical way. But it is to be remembered that the dealer or jobber is in business for himself. The "I'll-tell-you-how-to-do-it" attitude should be avoided.

Third, the sales policy should keep in line with the low-cost-of-distribution principle. Management should not blindly sell *only* thru jobbers, for example, if other avenues of sale offer lower cost distribution, as by selling direct to certain retail buyers who command large markets and to whom there is a decided advantage in buying direct. This may take considerable courage in the face of opposition from some jobbers; but the fundamental fact is that *all* distributing interests are in the long run best served by applying the low-cost-of-distribution principle.

In a few cases, manufacturers who distribute thru retailers also operate separate mail order organizations thru which they sell their products direct to consumers. They operate a mail order business on the side (usually under another name) for several reasons. They believe that it gives them greater control of their running volume of sales, expecting to be able to control fluctuations in the volume of mail order sales from time to time more easily and quickly than their dealer sales. Stabilization of sales volume gives greater opportunity for well-balanced capacity production.

Another reason is that they get distribution when it otherwise would not be had, as in regions remote from their retail outlets. Again, in many cases, their mail order sales serve to help develop sales for retailers. Many of the mail order customers, once they use the goods and find them satisfactory, sooner or later find it more con-

venient to buy from their local retailer. This is the experience of an automobile tire manufacturer who has a retail mail order house which he controls. His mail order prices are such as to make the cost of his brand of tires laid down in the consumer's home about the same as tho the tires were purchased of the local dealer.

* * * * * *

Thus there are many angles in management of sales which require the establishing of definite policies. But if we will keep in mind the principle of low-cost distribution from producer to consumer as the underlying basis for direction in establishing distributing policies, we cannot go very far wrong in this phase of sales management practice.

In Executive Manual 20, we shall build up the practical principles that underlie the art of successful salesmanship. Knowledge of these selling principles and ability to apply them is of inestimable help to every executive, whether or not his work lies in the sales department. They will help greatly in every phase of the work of managing men and in our relations with fellow workers, including those who are higher up in the organization as well as those lower down and those workers who are on equal footing with us. No executive can know too much about the principles of good salesmanship, and there is nearly always plenty of room for improvement in the practice of salesmanship.

While this important part of our training is handled also in other parts of this course from different angles, as in Executive Manual 16, where we studied the psychology of salesmanship, the active principles of successful selling will be covered in Executive Manual 20.

Complete your preparation for the interesting and practical study of salesmanship which follows by carefully working out Executive Problem 19. First, however, make use of the following check-up on the principles covered in preceding pages.

CHECK-UP ON PRINCIPLES

Use the following check-up to get the principles of this manual firmly fixed in mind. This will help you to handle the problem which follows. This check-up is entirely for your own personal use, so you need not send it in to the University.

	Check: Yes	Check: No
"There are so many policies involved in the workings of this organization that we individually are hampered to such an extent we don't dare take the initiative in meeting a particular situation." Is that necessarily a logical conclusion?		
A concern which had just started in the butter business was trying to meet competition by packing the butter in 14-ounce cartons instead of 1-pound cartons. This made possible a lower selling price per carton. Even tho this practice might not be against the law, does it appear to be a sound policy?		
A gold mine in the state of Nevada closed down because it "cost too much to mine the metal." Can such a situation come about?		
A sales manager who often has salesmen complain that selling prices are so high it is hard to meet competition always counters with the suggestion that if the salesman will make a suggestion by which costs can be reduced, he will be glad to lower the selling prices. Do you think the sales manager has a sound policy in mind when he acts thus?		
The salesmen of a certain sewing machine are allowed, whenever they believe it is impossible otherwise to make a sale, to grant a $5 discount under the arrangement of a "dressmaker's discount." Is this in effect a one-price policy?		
A large nationally known firm which sold many different kinds of products had invested thousands of dollars in making various brand names known. After many years of development the management became certain that sales could be increased by using only three brand names for the different grades of each product, but postponed doing it because of the great amount of money invested to bring these many names before the public. Was that a good reason for postponement?		

	Check Yes	Check No
The sales manager of a food-product company declared that any salesman who cut prices, even tho it might be for the purpose of getting a new account started, would have the amount of the reduction deducted from his commission. Do you think the sales manager followed sound policies?		
The manufacturer of a small hardware specialty was having trouble with the jobbers. They would not buy, and he finally decided their lack of interest was due to a failure on the part of his own concern to make the value of the specialty known to the ones who would use it. Is it likely he had found the cause of his trouble?		
A large department store prominently displayed on every floor signs reading, "Satisfaction guaranteed." All persons with complaints or returned goods or exchanges were first sent to the clerk from whom the purchase was made, then to the floorwalker, then to the buyer of the department, then to the credit department, and finally to the adjustment manager. Was the store practicing what it preached?		
Was the manager who said, "The customer is always right," following a sound business principle?		

Executive Problem 19

ESTABLISHING A SALES POLICY

Handling a Competitive Situation

UNDER THE LASALLE PROBLEM METHOD

COMPETITION is the life of trade but it may cut heavily into profits if management is not able to meet it. What are the main selling policies which are successfully used in a highly competitive field? By knowing the principles by which sound selling policies are established, each one of us can profit.

Prepared by the Research and Consultation Staff of LaSalle Extension University from an interesting problem which it has carefully investigated and analyzed.

Executive Problem 19

ESTABLISHING A SALES POLICY

The Duraflex Tube & Hose Company manufactures flexible hose used on gasoline filling-station pumps to carry the gasoline from the pumps to the tanks of motor cars. Duraflex hose is a superior product; it has good selling points; its longer lasting qualities have been demonstrated satisfactorily over a period of time; its structure is designed especially to overcome the limitations of the ordinary tubing used as gasoline conveyor.

But the volume of sales is not satisfactory considering the quality of the product and the selling efforts that are expended. Consequently, the management believes that it must work out a different sales policy—one that will be effective and lasting and upon which it can build its character and its reputation with the public and with its own employes and distributors.

Of course no company is justified in remaining hidebound to its traditions if by so doing it loses ground or fails to advance. When a concern succeeds in working out a way of doing business which is shown by all measurements to be the most advantageous, it can usually promote its best interests by establishing that way of doing business as a permanent policy.

All of these are considerations to be borne in mind, because you will serve for a while as the new sales manager of the Duraflex Company and your first big problem is that of analyzing, selecting, developing, and introducing a broad sales policy, conformity with which will increase the sales of Duraflex tubing and hose to desired proportions.

Naturally, one of your first steps is to get thoroly acquainted with the company's history and its product and the position occupied by the company in its field.

The Product. The product is a gasoline-pump hose made of metal and vulcanized rubber. Its purpose is to convey gasoline which is pumped from a filling-station tank to the tank of a motor car. The flexibility required of such a conveyor suggested early the use of several feet of ordinary rubber tubing. During the early days of gasoline filling pumps, this was, in fact, just what was used, except that a metal spring was provided to keep the rubber tubing open and to make it easier to handle. However, it was soon found that the chemical action of gasoline coming in contact with the tubing caused the rubber to dissolve slowly. This slow dissolution of the inner lining not only cut short the life of the hose but it reacted on the reputation of the gasoline. The dissolved rubber passed into the automobile tank and thence into the carburetor where it caused trouble.

The Duraflex Company started several years ago to experiment with the aim of producing a hose from which these great defects would be eliminated. Its inventors were ultimately successful in devising a flexible metal inner lining capable of presenting a continuous surface to the gasoline without being perceptibly corroded or disintegrated. The Duraflex hose, as now made, consists of layers of rubber and woven fabric vulcanized over this metal inner lining.

Manufacturing costs of this hose are appreciably higher than those of competing products, which are still largely of the kind where the gasoline comes into contact with the rubber. Consequently, the selling price of Duraflex is considerably higher. The company, however, has demonstrated to its own satisfaction that, in the amount and quality of the service it renders for every dollar paid for it, Duraflex hose is the most economical on the market. It is capable of giving longer service per unit of cost; and it eliminates dissatisfaction caused by the presence of rubber in the motorist's gasoline tank.

The Market. Sales of hose for use with filling-station pumps are made mainly to two classes of buyers:

1. Manufacturers of pumps for gasoline filling stations.
2. Oil-refining companies.

As a rule, the pump manufacturers sell their product to the refining companies. The refining companies, in turn, supply these pumps to filling stations. In many instances the filling stations are owned or controlled by the refining companies themselves. But even where the filling stations are owned independently, the proprietors receive the pumps free, agreeing in consideration to handle exclusively the gasoline of the refiners supplying the pumps.

Refining companies are large buyers of pump hose for replacement purposes. When new hose or new couplings are needed, they are furnished the filling stations by the refiners.

Thus the pump manufacturers and the oil-refining companies are the only quantity buyers of this hose. And the refining companies usually specify to pump manufacturers the kinds of hose and other features that they want incorporated.

Obstacles to Sales. The Duraflex Company has found it difficult to interest refining companies and pump manufacturers in its quality product. Purchasing agents specifying requirements for new pumps or buying pump hose for replacements have been accustomed to regard all hose as alike. "Hose is hose." Consequently, they have tended to buy on a price basis.

The Duraflex Company has found itself handicapped by this attitude of purchasing agents and by the keen price competition offered by other hose and tube makers. The Duraflex hose is more expensive to make than the ordinary rubber hose, and the company cannot make a satisfactory profit by meeting competitors' quotations.

The company has considered the possibility of proving to buyers that Duraflex is better than other hose on the market. But there are serious difficulties in the way. To begin with, superiority is hard to prove, since salesmen cannot carry around bulky equipment for testing different makes of hose, and buyers cannot be induced to come to the factory to see tests made. Moreover, purchasing agents are usually not interested in finding out how much better an article is than the standards require. They are mainly interested in not having to spend more money than necessary. They usually want standard supplies at the lowest price, not something better than standard at a higher price.

The company has tried guaranteeing the hose for a year, but this has not proved satisfactory. Most customers do not take the trouble to read the guaranty. Consequently, the company has often been asked to make adjustments that have been decidedly unfair. Even if a hose gives satisfactory service for eleven months, any mishap during the last month in the life of the guaranty brings a call for the company to make good, which to the consumer means the substitution of a brand-new hose.

Analyzing the Situation. Your investigations have brought out the foregoing facts and you now proceed to classify these facts and to analyze the situation. The Duraflex Company is offering the gasoline filling-station trade an unusually valuable product, yet it is having considerable difficulty in holding its own in seeking to serve this trade.

Since purchasing agents of pump manufacturers and of refining companies are prone to buy hose as hose—paying so much a foot for hose of a certain size—and since competing hose, more cheaply made, can be offered at much lower prices, the tendency is to buy from the makers of the cheaper hose.

On the other hand the hose buyer can get decidedly more for his dollar, measured in service, if he buys Duraflex hose than if he buys any other. But it has been difficult to make the buyer see this fact.

Moreover, the attempt to emphasize superiority by means of a guaranty has not been successful, almost wholly because the customers have misunderstood the guaranty.

The following alternatives present themselves as means of arriving at a definite selling policy that will help the company overcome these difficulties.

Considering Alternatives. First alternative: To cheapen the quality of the product to enable the company to compete with other lines on a price basis and still make a profit.

Second alternative: To cheapen the materials and workmanship in the Duraflex hose without noticeably impairing its superior quality. In other words, to seek to bring production costs down so that the selling price can be reduced to a point not so far above that of competitors but that salesmen can get business by making an extra effort.

Third alternative: To maintain the present quality of hose and present prices and selling practices, but add to them a better organized and more extended campaign to educate the purchasing agents of the pump manufacturers and refining companies, who are the principal buyers of this hose.

Fourth alternative: To contrive somehow to take the Duraflex product out of competition with the cheaper hose. By some method to see to it that the proposal stands on its own merits and is not weakened by comparison with the lower priced competing hose.

As manager of sales for the Duraflex Company you are now to establish a sales policy, and with it a sales plan,

which will yield the best possible results for the company. The accompanying working papers are for your assistance and convenience in reaching your decision and outlining briefly the main features of your plan.

BUSINESS MANAGEMENT

PRINCIPLES OF PERSONAL SALESMANSHIP—

Being Executive Manual 20, on Selling and Sales Management, in a Complete Plan of Training and Service for Executive Work

Investigated, organized, and presented by the research, consultation, and editorial staffs of LaSalle Extension University

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the advice and co-operation of

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PRINCIPLES OF PERSONAL SALESMANSHIP

PRINCIPLES OF PERSONAL SALESMANSHIP

EVERYBODY at work in every business or profession, whether employer or employe, can advantageously make a thoro study of the principles which underlie the effective practice of salesmanship—the art of influencing others to think, feel, and act as we want them to think, feel, and act. The more any individual's success in his work depends upon getting the co-operation of others, the greater is his need for a good, workable grasp of the principles of salesmanship.

Nearly all executive positions require considerable practice of salesmanship as broadly defined above. A manager's skill as a "salesman" has much to do with his success as an executive. Ability in the practice of salesmanship is a prime help to advancement in business, wherever the individual worker happens to be placed in the business. Effective application of many of the principles of profitable management is directly dependent upon the "sale" of ideas, plans, and personal efficiency to other members of an organization.

THE GREAT SERVICE OF EFFICIENT SALESMANSHIP

We still find some people who think that salesmanship is of little, if any, economic value. They say that it is largely an unnecessary expense in the distribution of goods and services, and that it leads many people to buy what they do not want and what is not good for them or causes them a loss rather than a gain; they usually mention the "smooth" salesman who persuades gullible persons to indulge their greed for gain by the purchase of worthless oil stocks.

It is true that some selling is done along lines that cause a loss of one kind or another to purchasers, just as it is true that some lawyers or doctors practice their professions along lines of loss rather than of gain to their "customers." There are some quack salesmen as well as

quack dentists. However, all but a very small portion of salesmanship practice renders a service of great value to people who otherwise would not buy goods or services which yield them a profit, benefit, or advantage of some kind.

Efficient salesmanship applied in the sale of anything that will yield a profit, benefit, or advantage of one kind or another to the buyer is as truly a service to the buyer as is the good work of a dentist for his patient.

Salesmanship Widens the Choice of Buyers. The big point is that salesmanship (and advertising) serves to widen the buyer's scope of choice. It brings to the attention of prospective buyers many products or services the purchase of which will result in a gain or advantage to them, which otherwise they would not come to enjoy at all, or which would be greater than in the purchase of other products or services.

It is, therefore, easy to see the great service of efficient salesmanship as a means of promoting purchases along advantageous lines. Were it not for salesmanship (and advertising), distribution of innumerable products and services, which bring to consumers or users a great aggregate gain of profit and enjoyment, would be relatively very slow and narrow. It must be remembered that rapid and extensive distribution is necessary in the development of a scale of production that permits lower producing costs per unit of product.

> **Salesmen and advertising men, and all others whose work has sales influence, have a sound reason for feeling that they contribute to public welfare and happiness—if they are efficient in selling.**

Inefficient salesmanship, or salesmanship applied in the sale of quack goods or services, is economic waste, just as inefficiency elsewhere in the business world results in waste. Therefore, it is a social service—that is, a service to the public as a whole—as well as a matter of self-interest when we improve our own individual skill in

salesmanship. And we all can do this by means of the right kind of study of salesmanship.

HOW CAN WE BEST STUDY SALESMANSHIP?

The great value of ability to sell, on the part of everybody, is widely recognized. We need not take any more time on that point. Our problem in this manual is to gain a thoro understanding of the principles of efficient salesmanship which are applied by men who have developed a high degree of skill in the art of influencing the thoughts, feelings, and actions of others. We want to know these principles, because they will give us a solid foundation on which to build greater and greater ability in the practice of efficient salesmanship.

We can best study salesmanship by observing the practice of those who are engaged in the sale of goods and services to prospective buyers. Application of the fundamental principles of efficient salesmanship can be seen in the work of every successful salesman.

> **No matter what we are selling, whether it be an idea to our associates in business, a new line of products to merchants, insurance, office devices, or service, the fundamental principles to be applied are the same in each case.**

It is the sound and true fundamentals of successful selling that we want to be sure we understand so well that they will serve us as guides to faster and further development of skill in the practice of efficient salesmanship.

Thus we can get the most out of our analysis of salesmanship by giving close attention to fundamental principles which explain the success of those who are preeminently able to influence the thoughts, feelings, and actions of others; and we can best get a usable knowledge of these principles by observing them in use by those who specialize in the sale of goods and services.

The "Income Principle" of Salesmanship. One of the most fundamental of the principles of efficient salesmanship may be called the "income principle."

"All going out and nothing coming in" is a familiar phrase which describes the work of many who fail in the practice of salesmanship. It describes the work of the "salesman" who talks, talks, talks, and does not let his victim get a word in edgewise, even if the prospective buyer wanted to, to say nothing of encouraging his prospect to express himself. Furthermore, this one-sided talk-talk type of "salesman" also, as a rule, fails to observe, in his prospect's actions, the effect of his talk; and, if his prospect does manage to say something, the talk-talk "salesman" either does not really hear or does not make use of what the prospect says as a means of knowing just how his selling talk is impressing the prospect. Consequently, he rattles on, in many cases, while his prospect is not really hearing what he is saying. He does not apply one of the cardinal principles of efficient salesmanship. This "income principle" may be stated as follows:

> **At every point in his selling talk, the efficient salesman strives to know the effect, in the mind of the prospect, of what he is saying and doing; also of what he has said and done.**

That fundamental principle of efficient salesmanship governs the salesman's outgo of words and actions, his adaptation of his selling talk to meet the requirements of the moment. It implies ability to listen and to observe, as well as to talk. It characterizes the work of every efficient salesman.

The application of this principle is one of the main reasons why it is advisable for us at the start of our study of salesmanship to analyze the objectives or effects to be gained by a selling talk.

MAJOR OBJECTIVES OF A SELLING TALK

Analysis of salesmanship, from the viewpoint of the effects to be gained in the mind of the prospect, brings out three major objectives to be gained by the salesman.

The first objective is to cause the prospect to be willing

to listen to the selling talk—to arouse willingness to listen to the extent that the prospect not only wants to listen but also is impelled to take a positive part in the selling talk, even, if possible, to the extent of taking an active part in selling himself. This is done by arousing in the prospect's mind and heart a genuine expectancy or hope of profit or advantage to him.

That is the first major effect or objective to be gained by a selling talk—to make the prospect willing to listen, because he feels that by listening he may learn something which may enable him to obtain the gain, benefit, advantage, or profit for which his desire has been aroused.

The second major objective of a selling talk is to convince the prospect that he can secure the profit or advantage that he has been led to hope he can get—thru buying what the salesman has to sell him.

At the same time, the efficient salesman intensifies the prospect's desire for this profit or gain; in other words, the salesman not only convinces his prospect that the product or service the salesman is selling will, in reality, give him the profit, benefit, or advantage that he will surely get if he buys, but also convinces him that this gain or profit is great enough to warrant spending his money in order to get it in view of any other purchase or purchases he might make with that same money, for—

> **Consciously or unconsciously, definitely or indefinitely, any prospective buyer is influenced by the necessity of choosing between alternative ways of spending his money.**

This is true whether the prospect considers the purchase of goods or services to be used in his own individual or family personal consumption or for business purposes. Therefore, it is necessary that the salesman not only convince the prospect that he can secure the profit or gain to be had by buying the salesman's product or service, but also intensify his desire for this profit or gain. How this is done by an efficient salesman will be illus-

trated in a case that is fully presented a little later on.

The third major objective or effect to be gained by the selling talk is to induce the act of buying. This, of course, is the final objective of every selling talk; but this objective is reached only after the two major objectives previously explained have been attained.

The salesman obtains this buying action by making it as easy as possible for the prospect to buy or, conversely, as difficult as possible for him to refuse to buy. He removes all remaining obstacles to buying, such as price, excuses to delay the purchase, etc. The principles involved in gaining buying action will be presented later on in connection with a case of inefficient salesmanship, which will be presented because we can better understand the principles of efficient salesmanship if we observe cases of both efficient and inefficient selling practice.

The Three Major Objectives of a Selling Talk Are:

1. **To arouse the prospect's willingness to listen—by arousing expectancy or hope of profit or gain in the mind of the prospect.**
2. **To convince the prospect that he can secure the profit or gain that he hopes to get—thru buying what you have to sell; and to intensify his desire for this profit or gain.**
3. **To get buying action—by making it easy for the prospect to buy, and by removing all obstacles to buying, such as price and excuses to delay the purchase.**

Appeals to the Emotions and Judgment. Before we take up actual cases of salesmanship practice, let us briefly analyze a selling talk from the psychological viewpoint of appealing to the emotions and the judgment or reason of the prospect. This was covered in Executive Manual 16, which dealt with the psychology of salesmanship; but it is of such fundamental importance as a means of thoroly grasping the active principles of salesmanship, soon to be presented, that we can well afford to sum-

marize this analysis again at this point in our training for executive work.

Why do people buy? What are the instincts, the emotions, and the reasoning powers to which selling appeals may be effectively directed? Let us at once simplify and broaden our answer to this important question.

We find that people (any and every person) buy goods or services (any and every product or service) as a result of appeals presented (by salesmen or otherwise) in such manner as to gain conviction that the purchase will satisfy:

1. A desire to keep, save, preserve, or protect what the prospect already has—as when he purchases paint and labor to apply it on his house, or when the business man buys filing cabinets for the protection and preservation of certain records of his business.
2. A desire to accrue or add to what he already has—as when he buys new labor-saving equipment for his office or factory, a radio set for his home, dividend-bearing securities, etc.
3. In addition to carrying conviction that one or the other, or both, of those first two desires can be satisfied, the appeals of the salesman as a rule must convince the prospective buyer that the purchase will satisfy a desire to keep or increase his self-respect or to gain the approval of others, or both. In other words, the prospect seeks self-approval, wants support for his judgment in making the purchase, because he wants to feel he was right in wanting to have the product or service. He satisfies himself, mainly, by having a good logical reason (or reasons) for his purchase. Everyone also has the desire to be respected, admired, appreciated, and liked by others—to have their approval.

Any further analysis of the answer to the question, Why do people buy? would logically fall under one or more of the foregoing fundamental desires, either under a desire to preserve or save (economy) or under a desire to add to his possessions, his income, or his wealth of any kind, including his mental or moral development or such development in others in whose welfare he is inter-

ested; also, in almost every case, a desire for self-approval and, in nearly all cases, a desire for the approval of others.

A Further Analysis of Selling Objectives. Now, let us briefly make a somewhat more complete analysis of objectives to be aimed at in the course of the selling talk, expanding the three major objectives of a selling talk into seven objectives.

There are some situations where the salesman is required to attain every one of the following seven objectives, and other situations wherein one or more of these objectives are already attained for the salesman. This more detailed list of objectives follows:

1. Get the prospect to listen by appealing to the first, second, or third (or two or all) of the three basic desires above analyzed.
2. Convince him of the general merit of the kind of product or service offered as a means of satisfying his basic desires. Do this apart from (without naming) the particular product or service that the salesman is selling.
3. Then convince him that this general merit is found, to greatest extent, in the particular class of product or service the salesman is selling.
4. Then convince the prospect that the particular product or service offered will satisfy one or more of his basic desires.
5. Then convince him that this particular product or service will best satisfy his basic desires and give him the most in the way of net profit, benefit, gain, or other advantage as a means of satisfying his basic desires.
6. Then convince him that he is able to pay the price, and arouse willingness to pay the price as by impressing the reasonableness of the price, giving him satisfactory terms, etc.
7. Get him to act NOW—to buy, and not lose or delay his enjoyment of the profit or advantage of his purchase; remove any remaining obstacles to the sale.

While it is not necessary in many cases for a salesman to attain all of the foregoing objectives, he must nevertheless make sure that any one or more of those seven objectives which he does not deliberately strive to gain

in his selling talk is, in reality, an objective that he does not need to establish, because it already exists in the mind of the prospective buyer. Furthermore, it is important that the salesman strive for the objectives that need to be attained in the order in which they are above listed; and it is likewise important that the salesman be sure each objective, in order, is reached before he proceeds to the next objective, in order, as listed.

> **The establishment and attainment of definite objectives in the selling interview is a fundamental characteristic of scientific efficiency in modern salesmanship.**

That is the "objective-analysis principle" of salesmanship. It underlies the practice of the truly efficient salesman. Any efficient salesman may more or less consciously apply this principle in his work. If he knows what he is doing, if he really understands this important underlying principle of effective salesmanship, he will apply it more thoroly and with better results.

This principle of guiding the selling talk by means of definite and fundamental objectives that must be gained is in sharp contrast to hit-or-miss salesmanship that gropes in the dark. The salesman who knows where he is going at every stage of the selling talk—who knows definitely what he wants the prospect to think and feel at each step—will be more likely to apply effectively the "income" principle of salesmanship. He will ask questions or in some other way find out from the prospect whether or not each objective has been definitely reached and established in the buyer's mind before he goes on to attain the next objective.

VARIATIONS IN SALESMANSHIP EFFORT

Let us now observe four cases which illustrate the fact that the amount of selling skill and effort required varies with different products or services; particularly with different prospects and under differing conditions. Let us see clearly that the number of objectives that need to be

attained by the selling talk varies under different situations.

Case 1. A man walks into a haberdasher's shop to buy a collar. A clerk brings out what he asks for, wraps it up, and takes the money. He says, "Anything else?" The buyer says, "No," and walks out.

No salesmanship at all is required in that case. None of the seven selling objectives above analyzed needed to be attained by the salesman.

Case 2. A woman sees a display of toilet soap in a drugstore window. She is reminded that she needs some soap, enters the store, and asks for a bar of the soap displayed. The clerk hands her the soap, and says, "One cake is 25 cents. If you buy five more, this one will not cost you anything."

"How's that?" asks the customer.

"One cake costs 25 cents, but we're making a special price of $1.25 for a half-dozen cakes," the clerk replies. "Of course, you'll soon need more of this soap, and if you buy five more cakes now, this one won't cost you anything, because you'll get six cakes for the price of five bought one at a time." And the woman buys six cakes of soap.

Before she turns to leave the store, the clerk calls her attention to a display of talcum powder. "Have you tried this new odor? It's very good, and we are making a special price on it to-day." And the woman also buys some talcum powder.

This was the result of real salesmanship, altho Objectives 1 and 4 were all that the salesman needed to attain.

Case 3. A dry goods salesman enters the office of a buyer in a city store, and, without saying a word, pulls out of his sample case a piece of lustrous satin, tinted like the inside of a shell. The buyer feels the texture between his fingers, and asks: "How much?" The salesman tells him. And he buys.

Here the buyer attained the necessary objectives of and for himself, with little assistance from the salesman.

Case 4. A salesman calls upon a prospect, and says: "Mr. Carter, if I am reliably informed, your trucking is costing you approximately $2,000 a month. You can save 25 per

> cent of that thru the use of two Ironton Motor Trucks. Does that interest you?"
>
> "Yes, if true," answers the prospect.
>
> Then the salesman goes on to show how the Ironton truck particularly fits the needs of the prospect, and demonstrates in definite figures how the prospect can save 25 per cent on his trucking. The prospect is apparently convinced that the use of Ironton trucks will give him the saving claimed; he desires this saving and is able to buy—but he does not buy.
>
> Knowing that the real cause of resistance against accepting his proposition has been kept from him, the salesman covers his ground again. This time he brings to light the fact that the prospect has been thinking of a contemplated purchase of some new office equipment. So the salesman sets to work to intensify the prospect's desire for the profit (25 per cent saving) to be enjoyed thru buying the trucks—to make that desire stronger than the prospect's desire for the other thing. He succeeds in this and the prospect buys.

Here each of the seven objectives previously outlined had to be attained by the salesman.

Analysis of the Cases Cited Above. In the first case above cited, the "salesman" played no part at all as a salesman. In the other three cases, the part played by the salesmen varied with respect to the aid they gave the prospect in coming to a decision to buy. (This, by the way, is the right attitude in salesmanship—aiding the prospect—*service!*)

In each case, the prospect's mind traveled the same ground, regardless of the time it took, and regardless of the aid it required. In Case 1, the buyer "sold" himself. In Case 2, wherein two sales were made to the same prospect, the salesman assisted appreciably. He suggested the profit to be gained thru buying five additional cakes of soap—an appeal to desire to save money (economy)—and then he explained how the prospect would profit. His suggestion of profit caused his customer to want the profit; and his explanation convinced her that she would get the profit thru buying. Then he called her attention

to the talcum powder, using the appeal of a "new odor" and a "special price." The evidence of the buyer's senses—of smell, sight, and feeling—was sufficient to convince her that this talcum powder was what she wanted. (Objective 5.)

Case 3 is an excellent illustration of the power of silence in salesmanship. The salesman in this case knew that the beauty and fine texture of the material he offered would make a strong appeal to the buyer, and that the buyer would, in all probability, see in these qualities sufficient evidence that he would be able to resell the satin at a profit—provided the price was right—to cause him to buy on his own initiative. When the salesman quoted the price, the sale was made. The product itself, as shown, was sufficient in attaining the necessary objectives.

In Case 4, the salesman made a claim of profit and presented proof of profit, which resulted in conviction on the part of the prospect. But the prospect did not buy at this point. Therefore, the salesman had to put forth further effort. He had to find out the reason for the prospect's inaction; then remove that reason (Objective 7) by going back to establish Objective 5 more firmly.

Thus a refusal to buy after the salesman has apparently gained all necessary objectives up to the point of buying indicates that one or more of the preceding objectives has not yet really been attained, which, when and if attained, enables him to close the sale.

Selling Effort Is Governed by Prospect's State of Mind. If the prospect recognizes the profit to himself in what the salesman is selling, furnishes his own proof of profit, and acts on his own initiative, then there is no need for much effort on the part of the salesman. Sometimes it is only necessary for the salesman to call attention to what he is selling, as in the case of the talcum powder; again, it may be necessary only to show his product and

name the price, as in the case of the satin. Again, as in the truck case, it may be necessary for the salesman to guide the prospect's mind from objective to objective.

In all instances, the effort required of the salesman depends upon the state of mind of the prospect, his need, his recognition of his need, his desire to satisfy his need, and the degree of intelligence he possesses. The selling process, it is evident, is what the salesman employs to arouse and guide the mind of the prospective buyer.

HOW DIFFICULT SALES ARE MADE

Let us now consider a more difficult case, wherein a very high order of salesmanship is shown, involving considerable skill in attaining definite objectives, one by one.

Mr. Markham sells an automatic sprinkler system, the kind of sprinklers which are attached to the ceilings of a building and automatically start sprinkling when a certain degree of heat is reached.

Mr. Bentley is putting up a large building to house his business, and has recently eliminated an automatic sprinkler system from his architect's specifications, because he wants to cut down the cost of the building.

Mr. Markham, the salesman, knows what has happened. It was, in fact, his sprinkler system that the architect had specified. But Markham does not let this situation weaken his confidence, for he knows that he will do Mr. Bentley a service by selling him the installation of his product.

Markham succeeds in getting into Mr. Bentley's office without first stating his business or the company he represents. Mr. Bentley does not have a trench outside his door. He is accessible, as are, in reality, the great majority of prospective buyers, altho there are notable exceptions. But Mr. Bentley is a busy and very successful business man.

Now, what would you say to Mr. Bentley in this case?

Let us see how Markham carried along Mr. Bentley's mind from objective to objective.

Markham: "Mr. Bentley?"

(Mr. Bentley nodded his head, but said nothing, altho his actions said plainly, "I'm busy, young man. Don't waste time.")

Markham: "You'd like to save $5,000 on your new building, wouldn't you?" (Markham said this as tho there were no doubt in the world about the answer or the fact that he knew how Bentley could do it.)

Bentley: "You bet I would!"

Markham: "Do you know how great a reduction of insurance premiums you get by having your new building equipped with a good automatic sprinkler system?"

Bentley: "Ah! Insurance—or sprinklers? You're wasting time here. I've decided not to install sprinklers."

Markham: (Smiling and shaking his head.) "No, I'm not selling insurance. But I want to show you how you can have an automatic sprinkler system installed—and make a clear profit of several thousand dollars a year on it."

Bentley: "How's that?" (Skeptically.)

Markham: "You probably know that you can get a 20 per cent lower insurance rate on your new building and its contents if you have the automatic sprinklers in your building. But have you also thought of this? You're planning to rent the four upper floors. Isn't that right?"

Bentley: "Yes."

Markham: "And you can get at least 6 per cent more rent if the sprinklers are installed."

Bentley: "How do you know I can?"

Markham: "You can get it if Cameron & Wise did on their new building—and they did. You know John Gould's new building over near your new location? It is not equipped with sprinklers, but the Cameron & Wise building is equipped—and they get better than 6 per cent more for the space they rent. Otherwise, those two buildings are about the same in construction. And they're both over near your location.

"Mr. Johnson, manager of the Albert Realty Company, told me about this. You can easily check up on it. I did; and I find that Cameron & Wise take in almost 7 per cent more rent per square foot of space.

"Now, you'll invest close to $18,000 to equip your building with Kensington Sprinklers," continued Markham, who saw plainly that

Mr. Bentley was listening with interest. "But in seventeen months—less than a year and a half—your higher rentals and your lower insurance premium combined will liquidate this item and give a clear profit of more than $5,000. After that your net profit will run $15,000 a year or better—'velvet.'

"Here's the way it figures up," continued Markham as he handed Bentley a carefully prepared statement of the facts—and Mr. Bentley saw that Markham had figured on only a 5 per cent increase in rentals instead of 6 or 7 per cent, which was the difference in rentals between the two new buildings previously compared.

Mr. Bentley became absorbed in a study of the figures, and Markham let him do his own thinking. Finally, Mr. Bentley looked up, but said nothing.

Markham: "That's a profit not to be overlooked; isn't it, Mr. Bentley?"

Bentley: "Yes, it does look like it. But I want to think it over a day or two. Come back next week."

Markham: "All right, Mr. Bentley. You should and can decide this on facts. You're convinced of the added protection and security you get by installing the sprinklers? There's no question about that fact, is there?"

Bentley: "No."

Markham: "According to your insurance company, you'll save 20 per cent on your insurance; and 5 per cent larger rentals looks reasonable, doesn't it?"

Bentley: "Yes, that looks reasonable."

Markham: "These figures really show a profit that even a less experienced and successful management should get."

Bentley: "That's possible."

Markham: "This being true, don't you really get the protection you want and need, not only without cost, but with a real profit on the transaction?"

Bentley: "Yes. It does look that way."

Markham: "Even a banker should be willing to invest in such a sprinkler system when he not only gets his investment back in a short time but actually begins to earn money on it from the very start; don't you think so?"

Bentley: "That may be. Any business man would be foolish to pass up a profit."

Markham: "Well, I can see that you have about decided this matter after all. There doesn't seem to be anything standing in the

way of a decision—unless you're uncertain about finding the money just now? Is that bothering you?"

Bentley: "Oh, no, I could find the money."

Markham: "You won't have to bother about that, anyway, until after the system is installed—and I can give you very favorable terms, if you want them. Here's our form of contract," continued Markham as he placed a completely drawn-up and filled-in form on Mr. Bentley's desk. "It's filled in as most of the big companies we do business with like it. It includes, incidentally, a copy of your architect's specifications."

Markham went over the points in the contract down to the terms of sale, and then said:

"You see, Mr. Bentley, we can give you a full year to pay, if you want it. That way, your first year's profit on the installation just about pays for your investment. Shall we let those terms stand?"

Bentley: "Yes, they're all right."

Markham: "Good. We want to serve you every way we can. I guess there's no other important point to go over."

Bentley: "No. Everything seems to be covered."

Markham: "I feel sure that everything is covered right."

Then, after a very brief pause, Markham said, "Wouldn't you really *prefer* to settle it now?

Bentley: "Well, I might as well sign up now. But I don't negotiate any contracts before letting my attorney run thru them. Suppose we go over to Mr. Hill's office now."

On the way to his attorney's office, Mr. Bentley stopped in at the Albert Realty Company to verify Markham's figures on rentals. Twenty minutes later, Markham left Mr. Hill's office with Mr. Bentley's signature on the contract.

ANALYSIS OF MARKHAM'S SALE TO BENTLEY

This sale was, perhaps, more difficult than it seemed to be. Mr. Bentley believed that he had decided definitely against the installation of an automatic sprinkler system. Markham knew that his sales problem was to influence Mr. Bentley to change his mind after he had decided "once for all" against the installation—never an easy sales situation.

Markham first aroused a desire to save $5,000 and a curiosity in Bentley's mind to learn how he might effect the saving desired. This made his prospect willing to listen—which was Markham's first objective.

Note this well: If Bentley had not been willing to listen to what Markham had to say, Markham could not have gone on talking much longer, and certainly would not have made the sale. Hence the great importance of attaining this objective in salesmanship practice. Unless and until the prospect becomes willing to listen, he will not listen attentively if at all; and, consequently, he will not follow, with his mind, what the salesman is saying. He will not really know what the salesman has been talking about. And he will not buy, because his mind will probably be no more receptive than it was when the salesman started talking—a state of indifference, possibly of prejudice; in any event, a nonbuying state of mind.

To be successful, the salesman must arouse expectation of definite gain or profit at the start—if he is not sure it already exists—so that the prospect will listen to the salesman's proposition, in the hope of hearing how the profit can be obtained. Exactly the same principle rules when an executive wants to get a new idea over to an associate or employe; he knows that the idea will be more open-mindedly considered if the listener is made to feel that something advantageous to himself or to his department is going to be discussed.

Markham maintained Bentley's willingness to listen thruout the interview. Sometimes he used pointed questions to check up on Bentley's interest in and attitude toward what was being said as he proceeded with his presentation of proof that Bentley could save $5,000 on his new building by installing an automatic sprinkler system. This presentation of proof convinced Bentley that he could profit thru the installation of a fire-protection system, aroused his desire to install the sprinkler system in order to secure the profit he wanted, deter-

mined him upon the particular sprinkler system, and convinced him that he should install the sprinkler system and secure the profit.

How Markham Met the Proposal of Delay. Some prospects would have been ready to sign the contract at this point; but Bentley was not. He asked Markham to come back next week. And Markham said: "All right, Mr. Bentley. You should and can decide this on facts." Why did Markham say that?

Because he felt that Bentley was either not sufficiently convinced that he could save the $5,000 or else his desire to save the $5,000 was not strong enough.

Note what Markham did then. He started in quickly to review the points of profit and proof, checking up every point in his selling talk, and getting agreement from Bentley that he was convinced on these points. Thus he definitely found out that Bentley was convinced, which led him to believe that Bentley would buy if able and willing to *invest* the money—not *spend* it. He then challenged Bentley's ability to pay, made a subtle appeal to pride and self-approval, the result of which was indicated in Bentley's reply, "Oh, no, I could find the money."

The questions asked by Markham naturally led up to the point where he could assume that Bentley had decided to buy; and this assumption was not challenged by Bentley, because he actually had decided to buy. Markham felt that he had so decided. This, then, was the time to close the sale.

Markham then skillfully called Bentley's attention to the details of the contract. Then he said, "Wouldn't you really prefer to settle the matter now?"—suggesting that Bentley would really be glad to get it off his mind and implying an advantage to Bentley in "doing it now." Had Markham said, "All right, why not sign up now?" or, worse, "What day next week shall we settle the mat-

ter?" he would virtually have asked for delay, and Bentley undoubtedly would have granted his request! And, in the meantime, Bentley would have had time to wonder whether or not Markham's sprinkler was really the best fire protection for his purpose; with the result that he might have become "unsold."

Two Other Strategical Points in This Case. There are two additional points of strategy to be noted in this case. One is the fact that at no time did Markham refer to the superiority of his sprinkler system over competitive sprinkler systems. That was a remarkable feature of this sale. It was not necessary to sell Bentley on the superior points of his particular sprinkler system. The sale was so handled that this question of choice between products did not arise. Had Mr. Bentley raised it, however, Markham, being a well-trained salesman, would have answered it by referring to some big and similar installations that emphasized the reliability of the service rendered by his system. As he talked, he would have tried to impress Bentley with the value to him of having reliable protection from fire, such as that given by his product. In other words, he would have still aimed at his primary objectives: to intensify Bentley's desire for the profit, and to convince him that the profit he wanted would surely come to him thru the installation of this sprinkler system.

The second strategical point illustrated in this case is the fact that Markham made only such claims, often suggestions rather than claims, as were believable or were susceptible to proof. This was the application of another important principle of efficient salesmanship:

> **Make sure that every statement made in the selling talk is accepted as a true statement by the prospect, which implies proof of any statement the truth of which otherwise may be doubted by the prospect.**

Markham might have claimed a saving of $10,000 instead of $5,000—and have been able to substantiate his

claim. But had he done so, Bentley would not have been so likely to believe him, and probably would not have so readily listened to proof, because of his disbelief in the possibility of so large a saving. The trained salesman knows that "the truth may be stranger than fiction," as the prospect views it.

The "Preparation Principle" of Efficient Salesmanship. The foregoing case serves to indicate the application of another fundamental principle which applies in all efficient selling practice. Markham not only observed the "income" principle, he not only observed his prospect's actions and interpreted their meaning; he not only secured spoken responses that enabled him to check up accurately upon the effects of what he said, guiding himself by his analysis of definite objectives to be attained; he not only carried the mind of his prospect thru the three major objectives of a selling talk, as outlined in preceding pages; but also Markham applied what may be called the "preparation principle" of efficient salesmanship. This principle tells us that—

> **In so far as possible and feasible, a salesman should obtain advance information concerning the state of mind of the prospect toward a proposition of the kind he has to offer—also information about the prospect's character, habits, viewpoint, hobbies, business, intelligence, etc.—before he approaches the prospect.**

The application of the foregoing principle is not always possible or practicable or feasible. But it is a principle to be observed by every salesman in so far as he can profitably do so. A good house-to-house canvasser will even try to get advance information of at least the name of the next-door neighbor from his present prospect; while many sales managers have a well-organized plan of accumulating pertinent facts about prospective buyers, and they encourage their salesmen to gather and make use of this kind of information.

There is another angle to this "preparation principle."

It is the fact that when a salesman does know his prospect before he calls on him, he can provide himself with particular facts or documents which will be instrumental in his success in attaining necessary objectives in his selling talk, as in the case of Markham's figures on net profit based upon comparative rentals on the building with and without the sprinkler system, plus the saving on insurance premiums. He did not wait to do this figuring during his selling talk. He knew that Mr. Bentley was a busy man. Furthermore, the fact that the figures had been carefully prepared in advance caused them to have more weight in the mind of Bentley; and the figures were based upon facts about rentals obtained from a reliable source, for Markham knew that Bentley knew he could check up the accuracy of the figures from this same source. This item of advance preparation had considerable weight as a factor in Markham's success in this case.

A CASE OF INEFFICIENT SELLING PRACTICE

Now, in order to bring out more strongly, by means of contrast, the importance of applying sound fundamental principles in selling practice—also in order to establish principles that primarily apply in attaining the final objective in every selling effort, a sale—let us observe and analyze a case of inefficient selling practice.

When Richard Curtiss first went on the road for the Keystone Company, manufacturers of Keystone Kitchen Cabinets, he found it difficult to establish new retail distributors, altho his house and product were well and favorably known thruout the trade.

In Kensington, Curtiss called upon a furniture dealer named Hopkins, to establish an agency with him for Keystone cabinets. Curtiss thought that Hopkins was listening to his selling talk, because Hopkins raised no questions. At no point in his whole selling talk did Curtiss even ask a question that would bring a response which would indicate how his talk was "registering" in Hopkins'

mind. Then, just when Curtiss thought it was about time to close the sale, Hopkins, whose thoughts had obviously not been on what Curtiss was saying, interrupted by asking, "What's the difference between your cabinet and, well, the Ajax, for instance?"

Curtiss answered by again briefly explaining the points of advantage which the Keystone cabinet possessed over all other cabinets in the field. But Hopkins did not really listen. He was thinking about something else; and again he interrupted Curtiss by saying:

"I had the agency for the Ajax two years ago, and I still have on hand one of the three cabinets I bought at that time. I don't see any good in taking on more kitchen cabinets until I've sold the one I have. There isn't any demand for high-priced kitchen furniture in this town."

"But the Keystone is not high priced," argued Curtiss. "Here's one that you can sell for $22, and prices range from that up to $95."

"My customers put their money in the front of their houses, where it shows," declared the merchant. "They don't want anything but the barest necessities in the kitchen."

"You just put in the Keystone line," said Curtiss, "and you'll sell it. Wherever there are homes, there's bound to be a demand for Keystone cabinets."

"My investment in the Ajax was tied up a long time before I got anything back on it, and the cabinet I have left has eaten up all the profit on the other two," the merchant went on, apparently not hearing what Curtiss had said.

"Take my word for it, that won't happen with Keystone," said Curtiss. "It's a far superior cabinet to the Ajax. Your women customers will see the difference instantly. And, besides, even if you don't sell your cabinets right away, you don't have to pay for them right away. You can have three months or more if necessary. It's a privilege and a pleasure to do business with a concern like Keystone. Co-operate with them, and they'll co-operate with you.

"Don't be afraid that you won't sell your cabinets," continued Curtiss with rising enthusiasm. "The women can't resist 'em. They see our attractive advertisements in the magazines they read, and then they'll come to your store to buy them. You realize, I am sure, the advantages of being identified with a product that is well and widely advertised—*the prestige is great!*

"Now, I have told you all about our proposition," he hurried on,

"and what it will mean to you to tie up with Keystone. I want to get your name on this contract *now*. I'm just starting on this territory, and I'm therefore doubly anxious to make a good record."

Then Hopkins, who was plainly showing signs of increasing impatience, answered decisively:

"I'd like to oblige you, young fellow, but I don't sign any contracts for kitchen cabinets. If any of my customers want one, I'll get it for 'em. Won't have to carry the stuff in stock and tie up good money. No, I'll not sign," and he walked away, leaving Curtiss "out in the cold."

Why Curtiss Did Not Make This Sale. The fundamental reason why Curtiss did not sell Hopkins was his failure to apply the "income principle" of salesmanship. He had not thoroly analyzed the effects to be gained by his selling talk, and he did not check up on the effects he was making as he went along.

Had his first objective or effect been to arouse desire for profit from selling kitchen cabinets—any kind of kitchen cabinets—and had he stuck to the attainment of this objective until he was sure he had attained it, he could, at the start, have provoked the question, "What's the difference between your cabinet and, well, the Ajax, for instance?" Then Curtiss would have known, early in his selling talk, exactly what Hopkins' state of mind was, and could have changed this antagonistic state of mind toward kitchen cabinets in general before taking the next step; for this had to be done, and the sooner it was done the better.

> **As long as any prospect feels that he could not make a profit by buying the kind (class) of product or service offered, he is unwilling to listen to a selling talk about a particular product or service of that kind.**

The results of failure to apply both the principles of definitely analyzing objectives or effects to be gained at each step in the selling interview and the "income principle" as a means of checking up on their attainment one by one are well illustrated by the kind of turndown that Curtiss got when he tried to close a sale in this case. Had

he properly applied the principle of objective analysis, and had he realized the necessity of attaining each necessary effect as he went along, he would have checked up effects as he proceeded, and he would not have made the very serious mistake of trying to close the sale before Hopkins was ready to buy.

No one ever bought anything he did not want—or believed he did not want—at the time he bought it. No one is ever ready to buy until he wants what the salesman is trying to sell him. No one ever wants anything unless he believes, or becomes convinced, that he will enjoy some advantage or value to him thru possession or use; no one will buy, even then, unless he believes he can get more profit or satisfaction from the purchase than by using his money in some other way; no one, finally, ever buys unless he is able and willing to pay the price.

Other Selling Principles Violated by Curtiss. The final test of salesmanship is getting the order. If it is impossible to get the order at one time, the efficient salesman will, at least, lay the foundation and pave the way for getting the order later on, which Curtiss did not do in the case cited. Instead, he only made it very difficult, probably impossible, to get an order from Hopkins later on. Notwithstanding the fact that Hopkins had plainly told him that none of the necessary objectives in this case had been attained, Curtiss went blindly ahead in an effort to close the sale. The principle involved is this:

> **Before attempting to close the sale, be sure the prospect desires what is offered (the profit or advantage the purchase would give him) strong enough to be willing to pay the price.**

Hopkins' comments plainly indicated that he was not desirous of handling kitchen cabinets of any kind; yet Curtiss ignored what Hopkins said, and went right on with his closing arguments, and invited the flat-footed turndown he got. This was in violation of another prin-

ciple of efficient salesmanship, which is closely related to the foregoing principle:

> **If the prospect is not ready to buy, don't let him make a definite refusal.**

The thoroly trained salesman would not have risked a turndown. He would have gone back and developed those points upon which the prospect as good as declared himself to be unconvinced, as well as re-emphasizing the points that have made favorable impressions. Before he tried to close the sale he would have made sure that Hopkins was convinced; that he was truly desirous of handling Keystone cabinets in order to secure the profit he was convinced he could secure thereby.

> **If it develops that a prospect is not ready to buy at the end of the selling talk, try to find the ''sticking point'' (or points), and endeavor to remove it (or them) before trying to close the sale.**

Hopkins clearly indicated to Curtiss that his "sticking points" were:

1. Doubt of profit to be secured thru handling any kind of kitchen cabinets.
2. Ignorance of the superiority of the Keystone.

Hopkins' buying desire had not been aroused and his buying reason had not been satisfied in the least; in fact, Hopkins was nothing but "sticking points." Curtiss had tried to remove these sticking points, but he failed to realize that he had not succeeded in doing this. That was his big mistake. It was failure to apply the "income principle." Had he accurately sensed the situation when Hopkins asked him the question about the Ajax, he would have taken as much time as necessary to convince Hopkins of the superiority of the Keystone over the Ajax, and he would have again renewed his effort to arouse belief in and desire for the profit to be gained in handling a line of good cabinets in Kensington. And he would have accomplished this latter objective *BEFORE* proceeding to the accomplishment of other objectives

and he would have attained all other necessary objectives *BEFORE* he tried to close the sale.

What Curtiss Should Have Done. Clearly it was up to Curtiss to convince Hopkins that there was a good market for kitchen cabinets in Kensington and that Hopkins could profit by handling them. Failure to do this at the start placed Curtiss on the defensive, and we cannot score in football or in salesmanship by being on the defensive.

If, after apparently convincing Hopkins on these points and apparently arousing Hopkins' desire for the profit, Hopkins still did not buy, Curtiss should not have risked a definite refusal. He should have left matters so that he could call again soon. A thoroly trained and experienced salesman might have decided that the only proof that would convince Hopkins would be to go out and sell one or more Keystone cabinets to housewives in Kensington. He could then have gone back to Hopkins with a proposition that would have been difficult to reject. This procedure would have been the application of another principle of efficient salesmanship:

> **Make it easy for the prospect to say "Yes," and difficult for him to say "No."**

Curtiss, as we have seen, made it easy for Hopkins to say "No," and to close the door on further opportunity to sell him. It is a well-known fact that once a prospect has said "No," it is very difficult to get him to reverse his decision. He may *think* "No," but if a salesman can keep him from *saying* "No," there is a chance to change his attitude. But once he *says* "No" publicly, he is strongly inclined to stick to it, even tho he knows that he should say "Yes."

Avoid Too Much Talk. There is, however, another principle of efficient selling practice which must be kept in mind:

> **When the prospect is unmistakably ready to buy, it is time to close the sale.**

STRATEGY IN CLOSING SALES

When you feel that the prospect has a very strong desire to buy, but needs help in making up his mind,

Ask the prospect a question about a detail which implies that he has decided to buy.

His answer will indicate what his purpose is. He is unlikely to go back on this implied decision. And an unfavorable answer to a question of detail does not say "No" to your main proposition.

When selling kitchen cabinets to a man who, you feel, knows he should buy, you might ask, "Is not this the best model for your trade?" or, "Are your customers likely to prefer the white enameled finish or this new battleship gray?" Then, "Would six of this model be enough?"

When selling books, discuss the styles of binding and ask for an expression of preference.

When selling insurance, you might ask the prospect whether he prefers to take $10,000 or $15,000 at this time. (The lower figure should be the one you expect him to take.)

If selling stocks, you might ask how he wants his name to appear on the stock certificate.

Such questions make it easy for a prospect to acknowledge a decision to buy since you do not appear to call for a decision to buy. If the prospect has practically decided to buy, he will appreciate this tactful opportunity of making his purpose known. If he is not yet convinced, his answer tells you that one or more sales objective has not yet been completely attained.

A salesman may bring his prospect to the point where he is actually ready to buy; then, thru overconscientiousness, desire to "hear himself talk," or ignorance, he "kills" his opportunity to close the sale by too much talk.

This principle, or, rather, the violation of it, is well illustrated in Mark Twain's "Sermon to Salesmen," which you may remember. It follows:

"The pastor was the most eloquent orator I ever listened to. He painted the benighted condition of the heathen so clearly that my

deepest compassion was aroused, and I resolved to break a lifelong habit and contribute a dollar to teach the gospel. As the speaker continued, I decided to give five dollars, and then ten. Finally, I knew it would be my duty to give all the cash I had with me—twenty dollars. The pleadings of the orator wrought upon me still further, and I decided to borrow twenty dollars from my friend in the next pew and give him that also.

"That was the time to take up the collection.

"However, the speaker proceeded, and I gradually lost interest and dropped off into a sweet slumber. When the usher woke me up by prodding me in the ribs with the collection plate, I not only refused to contribute, but, I am ashamed to state, I stole fifteen cents from the plate."

Like Mark Twain's pastor, a salesman may keep on talking after his prospect is ready to buy—and lose the order that could have been taken for the asking had he not kept on talking.

A SALE IS MADE IN THE PROSPECT'S MIND

Thruout this study of salesmanship we have seen that a sale takes place in the prospect's mind; that is, his mind goes thru a series of stages which takes him from a nonbuying attitude gradually into a buying attitude.

The thoroly trained salesman works to bring about the mental processes thru which this transformation takes place. His words, his actions, his knowledge, and his personality, in presenting his selling appeals, are all directed toward known ends. He sets the prospect's mental processes to working; he guides them in the direction he wants them to go; he removes all obstacles to action; and, finally, he induces favorable action.

He does this by means of an orderly arrangement of selling appeals designed to bring about the successive mental stages which gradually mark transition from prospect to buyer. He knows *what* he must accomplish, *how* he must work in order to accomplish it, and *why* he must work in just that way. His selling talk is organized so as to gain the effects or objectives he wants and needs to gain, in the order of least resistance. He knows the re-

sults he wants, and knows when he gets them, and when he does not get them.

> **The successful salesman is able to gauge accurately the impressions his words and actions make in the mind of the prospect.**

This is why a study of the mind, psychology, is profitable and worth while. Trained salesmen—and any and every business man to whom every person he deals with is a prospect for his ideas—never lose sight of the fact that what he is after is to make a series of definite impressions in the mind of the prospect, to cause the prospect to think and feel as he (the salesman) wants him to think and feel, and, finally, to act in harmony with his thoughts and feelings.

This kind of skill, requiring deep knowledge of human nature (as covered in preceding manuals on Developing the Executive Mind), is of as much importance in the work of executives in every department of business as it is in the work of salesmen.

The Prospect Must Be Able and Willing to Pay the Price. When the prospect is thoroly convinced of the profit that he will gain thru buying, and, conversely, of the loss he would sustain thru refusal to buy, and when he is genuinely desirous of securing the profit he is convinced he will secure, he will generally buy, provided he is able and willing to pay the price. But let us remember that—

> **If a prospect needs and desires to have what is offered, and if he believes that he will gain by the purchase, any professed inability or unwillingness to pay the price is more often an excuse rather than an obstacle to the sale.**

If the prospect refuses to buy after he has truthfully admitted that he wants what the salesman has to sell, and that he is convinced of the net profit or advantage which will come to him thru buying, then the thoroly trained salesman knows that the prospect is either unable or unwilling to pay the price.

Follow the Seven "Part-Way" Objectives that the Mind of Every Prospect Must Reach and Pass Thru. They Are:

1. **Desire and willingness to listen.**
2. **Belief and conviction that the kind of service offered will yield the desired profit or advantage.**
3. **Belief and conviction that the particular class of product or service offered will yield the desired profit or advantage.**
4. **Belief and conviction that the particular product or service offered will yield the desired profit or advantage.**
5. **Belief and conviction that this product or service will best satisfy the desire for the profit or advantage.**
6. **Conviction of ability and willingness to pay the price.**
7. **Resolving, determining, deciding, and actually buying.**

Prospects reach these objectives with varying degrees of help from the salesman. Some prospects reach each objective entirely unaided; others require both inspiring and convincing appeals of the salesman before each of these objectives is reached. With every prospect, however, the salesman should be certain that each of these objectives has been reached unaided, or is reached with the aid of the salesman, in the order indicated.

> **If the seven "part-way" objectives are reached, then the three major objectives are gained in the prospect's mind, and a sale results.**

These major objectives are:

1. **Willingness to listen with interest, in the hope of gaining a worth-while profit or advantage, suggested by the salesman.**
2. **Conviction that this worth-while profit or advantage may be gained by the purchase of what is offered by the salesman, plus an intensified desire for gaining the profit or advantage.**
3. **Conviction of ability to pay the price, and willingness to pay the price NOW—to buy.**

He may be a victim of "want competition"; that is, he may still think that he would prefer to spend the same money for the satisfaction of some other want. If so, the trained salesman uncovers this obstacle, and he knows that the prospect's desire for the profit or advantage has not yet been aroused to a sufficiently intense degree.

But if the salesman finds that the prospect is really unable to pay the price, there is nothing to be gained thru further effort on the part of the salesman, unless he can show the prospect a way to get the money. In many cases, careful selection of prospects to be called on can be made to eliminate those who cannot pay the price, thus avoiding waste of time and effort. The salesman should remember, however, that where there is a will to pay (a strong enough desire for his product or service) there is a way!

In cases where it develops that the prospect is able but unwilling to pay the price, the salesman, as previously stated, intensifies the prospect's desire for the profit or advantage to be enjoyed thru buying to the point where desire for the profit overcomes unwillingness to pay the price. Unwillingness to pay the price is usually caused by the fact that the prospect wants something else more than what the salesman is selling.

The Attitude of Efficient Salesmanship. As a means of emphasizing the more basic principles of efficient salesmanship presented in preceding pages, let us set up another principle which underlies the right attitude to be taken by a salesman toward his prospect, for the salesman's mental attitude has a great deal to do with his success or failure. Let us remember that—

> **An efficient salesman always sells on the basis of the prospect's wants, desires, feelings, and reasons; not upon his own.**

You will remember that Curtiss said, "I now want to get your name on this contract." He did not even

say, "This, Mr. Hopkins, is the contract that brings to you the profitable Keystone agency in Kensington." No, he said: "*I* now want," leaving the prospect's want out of the picture entirely. Then he asked Hopkins for an order because he, the salesman, was just starting in that territory. In other words, Curtiss asked Hopkins to buy so that he, Curtiss, might benefit, not because Hopkins himself would benefit thru buying.

A salesman could scarcely make a greater error than that, in view of the fact that the only reason a man ever buys is because of expectation of some form of personal profit to himself.

What a sharp contrast there was between the mental attitude of Markham in the sale of the automatic sprinkler system to Mr. Bentley and the apparent attitude of Curtiss toward Hopkins!

> **The efficient salesman is imbued with the feeling and conviction that he is rendering a service to his prospective buyer.**

That attitude underlies the salesman's application of the preceding principle. The salesman who does not know and feel strongly and show that he is rendering a valuable service to a prospect in getting him to buy, will fail.

The Value of Knowing Correct Selling Procedure. Such an analysis of selling procedure as that made in preceding pages enables a salesman to determine more definitely in any sale what must be done, and to do it, because he *knows* it must be done. He knows exactly where the prospect's mind is and where he wants it to be at every step. He checks up on the progress made in the prospect's mind as he goes along with his selling talk. That is a fundamental difference between "scientific" salesmanship, as displayed by Markham, and hit-or-miss salesmanship, as displayed by Curtiss.

So much of little or no value has been said and written

in the name of "scientific" salesmanship that many sales managers have become skeptical of the term. But we know that consistently efficient salesmanship is scientific —unless we are too narrow in our definition of what is meant by "scientific."

If to be scientific is consciously to apply principles that are sound, then the man whose sales record is exceptionally and consistently good because he applies sound principles, and knows that he is doing this, and does it naturally, is a "scientific" salesman. It has been demonstrated, time and time again, that—

> **The salesman who really works scientifically—who knows not only what to do and how to do it but also why it should be done—gets better results and is a more consistent producer than is the man who works in hit-or-miss fashion.**

The scientific salesman has analyzed correct selling procedure. He knows why certain things must be done in certain cases and at certain stages of his selling talk. He knows that it would be a waste of time and words, in most cases, to start explaining his particular article until the prospect is willing to listen—until he feels that it will pay him to listen. The successful salesman, knowing why some prospects must be made willing to listen before he talks about the merits of the product, will be sure to do, say, or suggest, something at the very beginning of the selling talk which will interest the prospect and arouse in him an expectancy or hope of profit or gain, which will make him willing to listen.

Knowing why it is necessary to make sure of the prospect's willingness to listen, the salesman will then not likely overlook this first objective in the selling procedure. He knows that when his prospect is willing to listen, he will find it easier to convince the prospect that he can secure the profit he wants by purchasing, for his prospect then will want to be convinced, altho

he may not show it. He will even, in many cases, actively help to convince himself.

Such are some of the basic advantages of scientific salesmanship over hit-or-miss selling practice, of the well-trained salesman over the untrained or poorly trained salesman. The trained salesman understands selling procedure as explained in preceding pages and how to apply it in his work.

The sales manager who directs a force of well-trained salesmen shows more sales per call than the sales manager who has untrained or poorly trained salesmen on his force.

EFFICIENT SALES MANAGEMENT IMPLIES TRAINED SALESMEN

Let us now briefly look at this important matter of salesmanship from the viewpoint of efficient sales management. First, consider the fact that—

> **The efficiency of sales management is reflected in the efficiency of the sales force; an efficient sales force consists of trained salesmen.**

A sales manager must thoroly understand the principles of efficient salesmanship as a foundation for good work in training his men and inspiring them to good work.

Sales management that stands on the "sole-leather" platform—insisting that salesmen who wear out the greatest amount of good sole leather in a given amount of time will be the best producers (the "more calls, more sales" idea)—is partly right; but he may be altogether wrong in many cases, especially when real salesmanship is required to make sales.

The "sole-leather" idea is sound as far as it goes. The point is that it does not go far enough in a great many cases. It is based upon the law of averages, but it produces only average results.

Psychologically, the law of averages may be cited to

good purpose in bolstering up the morale of a salesman, whose courage is maintained against a run of "bad luck" by the thought that, in the long run, the law of averages will assert itself in his case. But there is a good deal of sophistry in the "more calls, more sales" idea. The aim of salesmen and of sales management is to make sales, not calls. To increase the percentage of sales per number of calls is a better idea, especially so when prospects who are called on, but not sold, are frequently thereby eliminated from the ranks of prospective customers.

Altho it is more important in some cases than in others to make more sales per number of calls, yet in every case this can profitably be the central aim of sales management in training and handling the men.

If to "more sales per number of calls" can be added more calls per day, so much the better. But frequently there is too great a discrepancy between the number of calls made and the number (also the money value) of sales made. This brings the cost of selling up, and when selling cost goes up, net profit has to come down.

Sales executives who have given their attention primarily to the problem of gaining more sales per number of calls, and have kept this goal before them in training and handling their men, have attained greater success than that attained by sales executives who have laid much stress on more calls and relatively little stress on more sales per number of calls.

To increase the ratio of sales to the number of calls, and, at the same time, to make more calls, is the aim of efficient sales management.

That is a possible objective in nearly every case, for the use of the right selling talk, based on sound principles of salesmanship, shortens the time it takes to make sales, and permits the salesman to make more calls as well as more sales per number of calls made. Trained salesmen are able to do this. Untrained sales-

men usually make fewer calls as well as fewer sales in relation to calls.

Training That Is "Short" on Salesmanship. Sales management in every case must shoulder the responsibility for the kind of selling talk and tactics that are used by the men. If salesmen fall down out in the field, this is largely the fault of management; either the wrong men have been selected or their development and training have not been provided for or efficiently handled.

> **The defect in a great many training plans is that they are "long" enough on information about the business and the product or proposition to be sold, but are "short" on salesmanship principles—whereas they should be long on both.**

This defect is most likely to be the case particularly where the product or service to be sold is of a technical or complicated nature. In such cases, so much time must be taken in thoroly acquainting the new man with the nature of the product that "no time is left" for training in salesmanship.

Under such a training plan, the salesman goes out full of enthusiasm and information about his product or service and about his house. He believes thoroly, or thinks he does, in the advantages to be enjoyed thru the use, possession, or resale of what he is selling. And all that is as it should be. But in order to sell he must also know how to inspire others to see the thing as he sees it. If he can also do this, he will succeed. If not, he will fail, except in those rare cases where salesmanship is not required to get the prospect to buy.

And if he fails, his failure comes from lack of training in salesmanship. He becomes discouraged before he can teach himself salesmanship—if he could—and generally he quits selling his product or service; and then, perhaps, he tries to sell something else. And he may keep on merely trying to sell, not selling, until he finally learns salesmanship, if he is sufficiently determined to be

a salesman; or he may be so fortunate as to get his training in salesmanship under the direction or with the co-operation of sales management in one of his connections. He succeeds on this sales force, and quits his jumping from pillar to post. And sales management in this case does not lose the money it spent in hiring him and starting him out, as did sales management in other cases.

Handling Salesmen as Individuals. One more point in sales management before we get back to salesmanship:

Sometimes sales management tries to create a selling "machine," in which each salesman is but a cog. This is unsound management, because it submerges the individual salesman, whereas salesmen work alone as individuals. They have no one but themselves to depend on when out in the field, no one to tell them what tack to take in handling a prospect who develops unexpected resistances. The salesman must be a self-sufficient individual in his work. This requires that he be trained in the basic principles of salesmanship, which serve to guide him in correctly handling the varied situations that he faces from day to day.

The sales executive who understands the principles of salesmanship, and who sees to it that each of his salesmen not only learns these principles but also is able to apply them in his work from day to day, has men in the field who require a minimum of help in handling unusually difficult prospects. Furthermore, if the sales manager knows the principles of salesmanship, he himself is a better salesman of ideas to his men. In studying the principles of salesmanship, it is well to remember that—

> **The sale of ideas to salesmen (or to associates in business) requires the exercise of salesmanship at its best —in line with sound selling principles.**

The majority of sales managers are men who have come up from the ranks. Generally their rise came as

a result of their good record as salesmen. And their first-hand knowledge of selling and of their salesmen's problems inspires in their men a wholesome respect and loyalty. It is a great asset in sales management if the men can say of the sales manager that he never expects them to do anything that he would not or could not do himself.

Good Salesmanship Promotes Economic Progress. Let us now return, briefly, to consider another aspect of the important matter of the salesman's attitude in his work. We have seen, in preceding pages, what his attitude toward the prospect should be—the service attitude. Now let us consider, broadly, the salesman's contribution to economic progress.

Whether a salesman is selling a specialty, such as a sprinkler system, or a staple, such as canned peas, he must remember that he is not merely substituting one thing for another, but that he is selling something that will serve a purpose better than it could be served in some other way. He is selling superior performance or a greater personal satisfaction in other forms—or superior resale merit if he is selling canned peas to grocers.

> **The salesman's job is never merely to replace one thing with something else just as good, but with something that serves the purpose better.**

That is the contribution of good salesmanship to progress. The salesman influences the choice of the means of satisfying wants better than they otherwise would be satisfied.

A good salesman shows his caliber by selling that product or proposition which he knows to be the best means of satisfying a certain want. If he faces want competition, if he must develop want for his product or service in cases where other wants must go unsatisfied if the want that his product serves is satisfied, then he is convinced in his own mind that it is better for his

prospects to let certain other wants go unsatisfied, if necessary, than to neglect the satisfaction of the want which requires the purchase of his product or proposition.

The salesman who does not know these things to be true in his own mind, who does not feel that he is rendering a real economic service to his customers, who feels that his customers would be just as well or better off if they did not buy his product or proposition or bought some other competing product or service, that salesman is working against one of the most serious handicaps that any salesman could ever work against.

Deep conviction that he is rendering his prospect a real service—doing him a real favor in selling him—is an essential requirement for success in salesmanship.

That is why sales management must make sure that a salesman is himself thoroly sold on the product and the house before he goes out to sell.

It is apparent that, in the long run, far greater success is attained in selling those products and services that add most to the national income of wealth mentioned early in this course. Good salesmanship goes hand in hand with a product or service of real merit. Both, working together, attain a low selling cost. Both, together, promote economic welfare.

Good salesmanship, that does not misrepresent its goods or its competitors and their goods, is a profession with ethical principles followed and sustained the same as in any other profession. There are some quack salesmen in the ranks selling quack products and services, at *high* selling costs. They work against economic welfare.

But quack salesmanship sows the seeds of its own undoing. It eliminates itself from the race almost as fast as it crops up. Every day the great value of salesmanship that renders a real economic service to its customers is more and more recognized by sales management. Markham, the sprinkler salesman already cited, was fortified in his work with a product that rendered

a definite service and a real profit to his customer. Had the *facts* not been in favor of the purchase, his salesmanship practice could not have been as good, and, in all probability, would not have been successful.

The Relation Between Salesmanship and Product. It is apparent that there is a close connection between the quality of a product—its fitness in rendering a service—and the quality of salesmanship that may be used in selling it. Take the case of Coleman, who sells furniture to dealers. He enters Mr. Jackson's furniture store at Grand Forks:

Coleman: "Good morning, Mr. Jackson. Glad to see you looking so well."

Jackson: "Morning, Coleman. You 'round again? How are you?"

Coleman: "Fine, fine, couldn't be better. I don't see those two gum bedroom suites I sold you last trip. Sold, are they?"

Jackson: "Yes, the second one went out about two weeks ago."

Coleman: "I seem to remember those pieces there on the floor. Haven't much new stock in bedroom furniture, have you? Anything on order?"

Jackson: "No, sir! I'm going to clean out this big stock before I get anything more in. I've been carrying too heavy a stock for my trade."

Coleman: "But when you get attractive new stock in, you always sell that, don't you? Helps sell the old stock, too, doesn't it?"

Jackson: "Seems to."

Coleman: "Yes, you merchants have certainly proved that it is good business to buy anything on which you can take a quick profit. Even tho you are carrying a stock you feel is heavy, isn't it better to put in a few pieces that you know are sure sellers than to rely on your old stock, which you can only hope to sell?"

Jackson: "I guess you're right. What've you got that's as good as the last two numbers I bought?"

And a sale is well started, largely because Coleman had previously sold this merchant something that was readily resold; and he had not oversold him. To make one sale pave the way to another, in very many cases, is one of the aims of good salesmanship. Good past

selling means easier and better present selling, whether you sell an article that never need be replaced or whether you sell for resale.

A Good Product Alone Is Not Enough. A good product or service to sell and a good responsible house to work for and with, are, of course, not enough to secure distribution and consumption. It is the proper basis for effective salesmanship; but the salesman himself in the presence of the prospect must make the most of his opportunity, and he can do this best by applying the basic principles of good salesmanship in his selling practice.

Many of these principles were brought out in preceding pages, altho no attempt has been made at this point to present a complete course in salesmanship. The art of effective salesmanship is so important as a requirement of success in business management, whatever the phase of management, that we shall emphasize good salesmanship practice in many other parts of this service. For example, when we come to study the art of managing men later on, we shall have occasion to see salesmanship of the finest kind at work in the "sale" of the right ideas to the men.

No matter what is the line of work, the trade, or the profession in which we are engaged, or hope to be engaged, our success will be measured very largely by the kind of salesmanship we practice in our relations with others. This is particularly true in management, wherein the great problem is to sell to others the idea of good work, of intelligent and loyal co-operation in promoting the great cause of good service to customers —the cause that underlies the success of every really successful business enterprise.

A SUMMARY OF EFFICIENT SELLING PRACTICE

Now, before we pass on to Executive Manual 21, to the problem of building up and directing a force of effi-

cient salesmen, let us briefly summarize the fundamental principles that underlie efficient selling practice, principles which enter strongly into the work of training and directing salesmen, who thereby increase the sales per number of calls. Let us remember that—

1. We must understand definitely (and practice accordingly) the objectives that must be attained in the buyer's mind and the order in which they must be attained if the sale is to be made.
2. In so far as possible and feasible, we will get advance information about each prospect: his probable state of mind with reference to what we intend to sell him, conditions surrounding him which influence his attitude toward our proposition, his character, hobbies, intelligence, standing in the community, etc.—information that will help us in planning our objectives and in effectively presenting our selling appeals to attain these objectives.
3. We should be certain of, and, at every important point in our selling talk, should definitely determine, the effect, in the mind of the prospect, of what we are saying and doing, and of what we have said and done.
4. Our first major objective will be to get the prospect to be willing to listen, by arousing expectancy or hope of gaining the profit or advantage to be had by purchasing our product or service.
5. We shall aim (1) to convince the prospect that he can get the profit or advantage he hopes to get, and (2) to intensify his desire for this profit or advantage to the point of causing him to be willing to buy.
6. In closing the sale, unless he "closes himself" (buys) before we deliberately ask him to buy or plainly assume that he will buy, we remove all remaining obstacles to buying. We convince the prospect of his ability to pay the price, remove any excuses for delaying the purchase.
7. We base our selling appeals on the prospect's fundamental desires: (1) his desire to save, preserve, or protect what he has; or (2) his desire to add to what he has; and (3) his desire for self-approval and for the approval of others in making the purchase.
8. We also must appeal to a prospect's intelligence, judgment, and reason.
9. When we get the prospect to listen attentively by an

appeal to one or more of his fundamental desires, we then, if necessary, convince him of the general merit of our proposition apart from the particular product or service we are selling as a means of satisfying his basic desires; then, if necessary, we prove that this merit resides in the class of product or service that we are selling; then, if necessary, we convince him that our particular product or service is the best for the purpose; and then we convince him that he is able to pay the price, meeting all excuses to delay the purchase.

What we know about the prospect before beginning our selling talk, and what we learn about him as we proceed with our selling talk, determines whether or not one or more of the objectives above mentioned may be omitted in our selling talk. For—

10. We realize that the amount of selling effort required in different cases varies with what the prospect already knows and his state of mind. But we make sure that any particular one of the necessary objectives already exists in the mind of the prospect before we decide to omit our effort to attain that objective.
11. We also make sure that every statement made in our selling talk is accepted by the prospect as a true statement.
12. Before attempting to close any sale, we make sure that the prospect really wants the profit or advantage that the purchase will give him. And—
13. As long as we see that the prospect is not ready to buy, we try to get at the "sticking points" and remove them one by one.
14. We make it as easy as possible for the prospect to say, "Yes," and as difficult as possible for him to say, "No." But—
15. We sell him upon the basis of his desires, wants, feelings, and reasons; not upon our own.
16. We remember that no part of the selling talk can be called "most important," that all parts are important; and that an analysis of objectives, such as those we have set up in preceding pages, is made so that no essential part of the selling talk will be omitted or no nonessential part included.
17. Also, we shall remember that an analysis of objectives not only enables the salesman to carry the mind of the buyer thru the successive stages necessary to get him to buy, but

also helps in checking up the progress the salesman is making on his road to a sale. This, in fact, is a prime difference between scientific and hit-or-miss selling practice.

18. Then, too, we shall remember that this kind of scientific salesmanship enables the salesman to make more sales per number of calls—and that it usually enables him to make more calls, as well—thru his ability to attain more quickly the necessary objectives, because they are definitely set up in his mind.
19. And, finally, we shall remember that efficient salesmanship is a service of great value both to individual buyers and to society as a whole.

Now is the time more firmly to fix in mind your grasp of these practical principles of salesmanship by using the following check-up. Following that profitable experience, you will be interested in going still further in applying these principles and developing your ability to sell by getting the practice afforded by analyzing and working out Executive Problem 20. Then you will be well prepared to take up the very important management problem of building up an efficient sales force, as presented in Executive Manual 21.

CHECK-UP ON PRINCIPLES

Use the following check-up to get the principles of this manual firmly fixed in mind. This will help you to handle the problem which follows. This check-up is entirely for your own personal use, so you need not send it in to the University.

	Check Yes	Check No
The instructor of salesmen in a reliable financial institution was giving his last talk to a group of salesmen before they went out to sell shares in a new enterprise. "You are pioneers," he said, "and are really benefiting the entire community by presenting this proposition thru your salesmanship." Do you believe the instructor exaggerated the service of salesmanship?		
Business was dull and a salesman was engaged in trying to convince a retailer that it was possible to do a good business despite that fact. He had just given an illustration to prove his point. "That's all right," replied the retailer, "those principles may apply in that line of business, but they never in the world can work out if applied to mine." Did the retailer's attitude indicate a full understanding of the application of principles?		
The salesman of a new savings plan felt certain he was going to make a sale, because apparently his prospect was listening intently and was not saying a word. The salesman figured this was a sign that the prospect must be convinced of the desirability of the plan. Is it always safe to assume that "silence gives consent"?		
A retail salesman in a retail store could overhear fragments of a conversation between a jobber salesman and the proprietor. He wondered why the salesman kept asking such questions as, "That is true, isn't it? You agree with me on that, don't you? That's right, isn't it?" etc. Is it always necessary for a salesman to check up in this manner?		
Each new member of a certain house-to-house sales force was given a thoro training in observation. Each was carefully taught how to learn things about the prospect from the kind of books, pictures, etc., in the house. Is it likely that efforts along these lines were fully repaid in aiding sales?		

	Check: Yes	Check: No
A washing-machine salesman of limited experience was approaching his prospects with, "The Reliable Washing Machine is admitted to be all that its name implies." Do you think he was following the principles of good salesmanship?		
As a retail salesman was wrapping up purchases for his customer, he said, "Wouldn't you like to try this new lot of 'Golden' oranges, just in? They are small, but they are sweet and juicy—at an unusually low price." Was he trying to make it easy for his customer to say "Yes" according to the principle on Page 26.		
A salesman covering the state of Indiana for an office furniture company was telling all his prospects that he was running a close second in the sales contest that month and with a little help from them he could make first place before the month was over. Will that line of talk help him much?		
"If I could get some salesmen who would sell and who would stick with me, I could show a big improvement in volume over last year," said the sales manager of a specialty manufacturing company. Is it probable he was at fault himself?		
This is an extract from a sales manager's general letter. "Many are making an average of 22 calls a day. But I know 15 calls is a good day's work, and I would rather see you spend a little more time with each customer in an effort to increase the number of orders than to trust to the law of averages by calling on an unusually large number of prospects." Did this manager have the right aim?		
A disgruntled employe was saying, "I have made several suggestions, which were turned down, but which were immediately put into effect a few months later when Mr. Clark suggested practically the same things. I think someone has a grudge against me." Could the employe be wrong in this opinion?		

Executive Problem 20

MAKING THE SALE

A Sales Presentation Analyzed
UNDER THE LASALLE PROBLEM METHOD

HOW is a sale made? By preliminary thought and planning, by constant observation, by interest-arousing and convincing appeals, and by intelligent persuasion. Yes, but these may still be relatively abstract terms unless our objective be to make them full of meaning. It is only thru practice that salesmen become most proficient. And since we are all salesmen in the real sense, let us develop, thru practice in solving these executive problems, our ability to sell.

Prepared by the Research and Consultation Staff of LaSalle Extension University from an interesting problem which it has carefully investigated and analyzed.

Executive Problem 20

MAKING THE SALE

What should the salesmen do and say? There is no doubt but that this is one of the vital questions in sales management. What should the salesman find out in advance about his prospect? What should be the general outline of his talk to the prospect? What besides talking should the salesman do in making the sale? The salesmen look to the management for suggestions and guidance in these and other matters.

Or perhaps this problem of making a sale is interesting to you because of its personal application; for you, no matter who you are, have sales to make. How should you organize your sales presentation? What should you say first and how should you say it? What should you do and say next?

In this problem you will meet just the situation that salesmen meet on the road and on which they look to the management for help. You will help in making a rather difficult sale, a sale which requires the use of principles you can follow in the sale of any product or service or idea, to any kind of prospect, be he a five-year-old toddler or the president of a large corporation.

While your product in this problem is the Royal Pop-Corn Machine, the method of selling, is that which sells thousands of other lines, and by applying the same principles any line of goods or service can be sold to logical prospects.

This Company's Product and Market. The Royal Pop-Corn Machine Company manufactures and sells pop-corn machines. The purchasers use them for popping and buttering pop corn to be sold in bags, freshly popped and hot, to their customers.

The American people like pop corn. They eat con-

siderable quantities of it—some mixed with syrup and other ingredients and put up in bricks or balls or cartons; some sacked loose, freshly popped, salted, and buttered. This taste of the public for pop corn is the foundation on which the Royal Company's manufacturing and selling program is built.

At one time nearly all pop corn was popped at home. Later, street vendors appeared, who popped the corn and served it hot to the passers-by. The Royal Company then conceived the idea of having the proprietors of candy stores, movie theaters, gasoline filling stations, fruit stands, news stands, cigar stores, general stores, refreshment stands, department stores, etc., take over this function of preparing and selling freshly popped corn to the public.

Such work could not be profitable to such dealers if it was necessary to pop the corn by hand. The Royal Pop-Corn Machine Company, therefore, devised a new machine which mechanically pops and butters the corn and keeps it hot and crisp until purchased. This machine is so arranged that it can keep on running all day while the amount of corn it pops is adjusted to the selling needs. If the demand for corn is heavy, the machine can be adjusted to produce seventy-five sacks an hour. But if the demand is light, the machine can be made to produce at the rate of twelve sacks an hour. Thus the machine constantly attracts attention thru its motion, and always has crisp, hot pop corn ready, no matter what the demand.

It will thus be seen that the Royal Pop-Corn Machine Company has an interesting proposition to present. Its investigations have already shown the field of logical prospects. What is the best way to reach that field?

The Royal machine sells for $750, a fairly large sum for many small storekeepers to pay. Moreover, there is little existing demand for pop-corn machines among the class of business people the Royal Company proposes

to reach. From your study of preceding manuals in this course of training you will readily see why the company decided to distribute its product by having its own salesmen call on the prospective buyers. The sales presentation for propositions like this must be carefully planned, since much ground must be covered before a store proprietor can be made to see the advisability of buying an automatic pop-corn machine.

The Royal Company's sales management gives the following reasons why it will pay dealers to install this machine:

1. **It Will Increase the Dealer's Net Income.** It is not gross income that finally counts, but net income. The retailer's costs of doing business to-day are so high—there are so many fixed overhead expenses—that often, after all expenses are paid out, there is very little if any clear profit left. Therefore, if the dealer is offered some means by which, without noticeably increasing his labor, he can increase his net profits, even tho he adds only \$200 or \$300 or \$500 to his yearly income, he is almost certain to be interested in that offer.

The Royal Pop-Corn Machine is just such an offer to the dealer. In hundreds of cases it is making a net profit of about a dollar a day for its owners, or \$300 yearly. While several persons and concerns are making much larger profits from this machine, it is not sold thru a promise of these large profits. The average profits make it an excellent proposition for thousands of dealers provided it can be shown that the dealer need make no undue effort to earn this extra money. It will be shown below that it is possible for the dealer to pick up this extra money with little expense and effort.

2. **The Value of the Automatic Popping Feature.** The cost of the raw materials is comparatively small. Therefore, if we leave out of consideration the labor of popping the corn by hand, the net profit on each bag of pop

corn is high. Moreover, only a little money needs to be tied up in raw material, and the turnover, once the pop corn is popped, is rapid. The trouble has come in the labor of popping by hand; it calls for too much attention. Therefore, most dealers, with continual calls on their time, have not found it profitable to handle pop corn popped fresh by hand.

But the automatic popping machine does all the work of popping and buttering the corn, and relieves the dealer of practically all effort except that of filling the bags and handing them to the customers. Such a machine bids fair at once to become profitable to the dealer.

3. **The Advertising Value of Popping Corn before the Customer's Eyes.** It is not enough that the machine will automatically pop the corn. It will also *sell* the corn.

People do not buy and use pop corn as a steady habit, as they do coffee and potatoes. On the contrary, they usually buy it only when they are *reminded* of it. In other words, most folks will not buy it if it is hidden away under a counter, but hundreds will buy it if it is popped in plain sight, and where the warm fragrance of the corn can reach the nostrils.

The Royal Pop-Corn Machine not only automatically pops the corn but does it in an interesting manner, so that people are attracted to watch it, and become hungry as they watch. This gives it big advertising value and results in many sales. It is a machine that sells its product as well as makes it.

The Royal Pop-Corn Machine does more than advertise "Pop corn for sale!" Experience proves it to be valuable in attracting people into the store who buy other goods besides pop corn. It almost invariably causes a perceptible increase in the sale of all lines. The aroma of the popping corn is wafted out into the street and has great "pulling power."

4. **It Is the Machine of Super Pop Corn.** The Royal machine helps the dealer build trade and good will, since it makes a superior pop corn. It is the bursting steam in the kernel of corn that causes it to pop. Some of this steam is still in the corn after popping, with the result that melted butter poured on it does not penetrate the corn, but stays on the surface. But the Royal machine, after popping the corn, carries it thru an extra drying process which toasts it and forces out all the moisture. The melted butter can then penetrate the corn and give it a delicious taste.

5. **Royal Pop Corn Is Advertised as Superior.** The Royal Pop-Corn Machine Company has produced some effective advertising matter emphasizing the fact that the pop corn produced on this machine is of a superior kind. Each dealer buying one of these machines is supplied with this advertising matter, which is attached to the machine.

Thus the dealer buys not merely the machine but the advertising which shows that he sells a superior pop corn.

6. **It Takes Very Little Floor Space.** When the dealer takes on any new line, he must find space for it somewhere, and his floor space is limited.

Now the Royal Pop-Corn Machine occupies less than six square feet of floor space, and is so compact that almost any store can adjust its space to accommodate it. Moreover, in many places it can be placed out on the sidewalk. This ease with which it can be fitted into a store whose space is limited and costly is a great recommendation in its favor. For it means that the store can add a line that brings in an additional $300 or more yearly profits, whereas the store might not be able to take on any other line yielding such profits, because it would call for too much space.

Prices and Terms. The Royal machine sells for $750. It is usually sold on terms calling for $150 down and monthly installment payments of $25. In two years, therefore, the machine is paid for in full, and the payment each month is no more than the average net profits on pop-corn sales. Including the first payment down, the machine will, on the average, pay for itself in two and a half years, and the profits thereafter give the owner a very substantial net income.

Your Prospect. George Arnoni is the proprietor of a candy and school-supplies store across the street from a high school in the residential section of a large city. The bulk of his trade is with the high-school pupils, to whom he sells candy, sodas, ice cream, sandwiches, and school supplies. In his neighborhood, but a block away, is a league ball park, to which thousands of people come during the summer months. In another direction, a block and a half away, is a city playground frequented by children. Two blocks away is a large movie house, and in the evening many people pass Mr. Arnoni's store on their way to and from this movie house.

You have studied the situation quite carefully and from your experience are able to estimate the probable number of people passing this store each day. Your company has made investigations, which show that about one in ten of those who enter such a store are likely to buy pop corn, and a good percentage of the passers-by are likely to be attracted to enter and buy, by the sight and aroma of the popping corn.

You have also made some inquiries regarding Mr. Arnoni. He has been in this location for several years and has appeared to make no more than a living from the business. He is attentive to business. He has a wife and three children. He is said to have a favorable lease on the store, with some years yet to run.

With this information to guide you, you call to present

your proposition. You go with confidence, for your company has supplied you with all the sales help that may be needed, and you have clear ideas of the principles which will solve the questions that arise during almost every sale.

The outline on the working paper will prove a valuable guide in making this sale, and the executive report, which you will receive later, will help you in applying the principles involved, in all other sales.